

COLONIAL DEVELOPMENT CORPORATION

REPORT AND ACCOUNTS

1957



COLONIAL DEVELOPMENT CORPORATION is a public corporation established by UK Parliament, under Overseas Resources Development Acts, 1948-58, for the purpose of assisting colonial territories in the development of their economies.

It has powers to borrow up to £150m long-term and £10m short-term outstanding at any one time. There is no share capital and the loan money has been had from the UK Treasury; interest has to be paid over the life of each loan at the rate current at the time of each advance. On long-term loans interest payments are postponed for the first seven years; loans and interest are repayable by 33 annuities starting in the eighth year.

In independent Commonwealth countries CDC can, with agreement of governments concerned, act as managing agents, and render advisory services.

CDC is organised to operate commercially and is required to pay its way.

Directors of the Corporation are appointed by Colonial Secretary. The general manager is chief executive officer.

COLONIAL DEVELOPMENT CORPORATION

ANNUAL REPORT AND STATEMENT OF ACCOUNTS

For year to
31.12.57

*Presented to Parliament in pursuance of Section 16 (5) of the Overseas
Resources Development Act, 1948*

*Ordered by The House of Commons to be Printed
21st April 1958*

LONDON
HER MAJESTY'S STATIONERY OFFICE

COLONIAL DEVELOPMENT CORPORATION

33 Hill Street,
London W1

The Rt Hon A. T. Lennox-Boyd, MP
Secretary of State for the Colonies

The members of the Colonial Development Corporation have the honour to submit Report and Statement of Accounts for year to 31.12.57.

(Sgd) J. C. W. Reith

H. N. Hume

Hugh Beaver

A. Gaitskell

Macdonald of Gwaenysgor

C. J. Pleass

20 March 1958

Members

Lord Reith
(*Chairman*)

Sir Nutcombe Hume
(*Deputy Chairman*)

Sir Hugh Beaver

A. Gaitskell

Lord Macdonald of Gwaenysgor

Sir Clem Pleass

Executive Chief Officers

General Manager W. Rendell, ACA

Head Office Controllers

Finance G. W. Totman, ACA

Investigations G. C. Wishart, LLB

Operations H. A. Cochran, OBE, BSc, MIMinE, MIMM

H. L. Pryce, ACA

Sir Reginald Saloway, KBE, CMG, CIE

Regional Controllers

Caribbean A. C. Grieve

Far East D. E. M. Fiennes

East Africa R. E. Norton, CMG, OBE

Central Africa G. E. Thornton, CMG, MBE

High Commission Territories R. Prentice, CA

West Africa A. T. de B. Wilmot (appointed 19.1.58)

Regions

Caribbean... ... British Honduras, British Guiana, all British West Indies Islands, Bahamas and Falkland Islands; hq Bridgetown, Barbados;

Far East Singapore, North Borneo, Brunei, Sarawak, Hong Kong, Fiji and the Western Pacific Islands; hq Kuala Lumpur;

East Africa ... Kenya, Uganda, Tanganyika, Seychelles, Mauritius, Zanzibar; hq Nairobi;

Central Africa ... Federation of Rhodesia and Nyasaland; hq Salisbury;

High Commission Territories Basutoland, Bechuanaland Protectorate, Swaziland, Tristan da Cunha; hq Johannesburg;

West Africa ... Nigeria (including Cameroons), Gambia, Sierra Leone; hq Lagos.

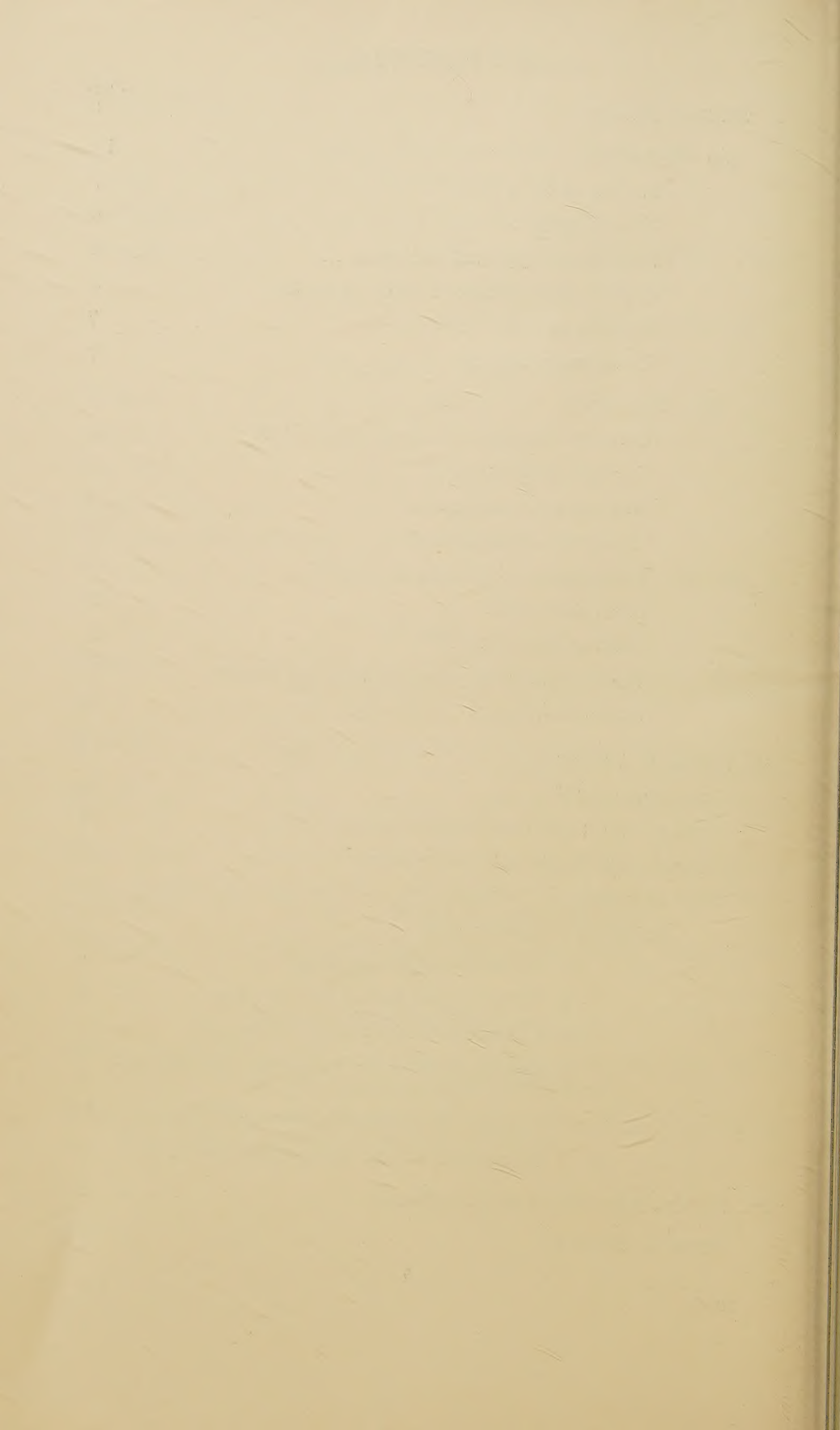
New Commonwealth Countries

Ghana—CDC interests under supervision of Regional Controller (West Africa) through Development Corporation (West Africa) Ltd.

Federation of Malaya—CDC interests under supervision of Regional Controller (Far East) through Malaya Developments Ltd.

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COLONIAL DEVELOPMENT CORPORATION

ANNUAL REPORT 1957

I GENERAL REVIEW

(A) OPERATIONS

Report and Accounts are for year to 31.12.57; later information included where interesting.

1 Projects at 31.12.57

(1) There are 76 continuing projects (66 last year); table shows them, with capital approved, grouped regionally and by territories; diagram (Fig 1) shows total capital, approved and spent, for each region.

(2) Ghana and Federation of Malaya are shown separately; Malaya Borneo Building Society Ltd operates in both Federation and Singapore.

Region and Territory	Project	Capital approved for	
		Project £000's	Region and Territory £000's
Caribbean			8,667
Barbados	Barbados Light and Power Co Ltd	250	
British Guiana	British Guiana Consolidated Goldfields Ltd	762	
	British Guiana Rice Development Co Ltd	1,292	
	British Guiana Timbers Ltd	2,062	
	Potaro Hydro-electric Co Ltd	392	4,508
British Honduras	British Honduras Fruit Co Ltd (citrus and cocoa)	130	
	Fort George Hotel	286	416
Dominica	Dominica Electricity Services	225	
	Melville Hall Estate	80	305
Jamaica	Cayman Islands Airport	60	
	Jamaica Citrus Growers Ltd	110	
	Jamaica Cooling Store	138	
	Jamaica Housing Development Co Ltd	1,000	
	Jamaica Public Service Co Ltd	300	1,608
St Vincent	St Vincent Electricity Services	210	210
Trinidad	Trinidad Cement Ltd	1,200	
	West Indies Navigation Co Ltd	170	1,370
Far East			18,109
Federation of Malaya, and Singapore	} (shown separately below)		3,500
Federation of Malaya			9,263
Singapore	Malayan Flour Mills	200	
	Singapore Factory Development	380	580
North Borneo	Borneo Abaca Ltd	3,405	
	Mostyn Estates Ltd	1,360	4,765
Fiji	*Fiji Investigations	1	1
East Africa			15,644
Kenya	Block Hotels Ltd	160	
	Coastal Hotels Ltd	125	
	East Africa Industries Ltd	500	
	Kenya Housing Authority	2,000	
	Kenya Meat Commission	250	
	Kenya Power Co Ltd	3,535	
	Macalder-Nyanza Mines Ltd	2,380	
	Unga Ltd	850	9,800
Tanganyika	*Mbeya Exploration Co Ltd	330	
	*Liganga Iron Ltd		
	*Rungwe Coal Co Ltd	500	
	*Tanganyika Coalfields Ltd		
	Tanganyika Wattle Co Ltd	1,270	
	Tangold Mining Co Ltd	1,000	
	Williamson Diamonds Ltd	500	3,600
Uganda	Kilembe Mines Ltd	2,244	2,244

* Investigations.

Region and Territory	Project	Capital approved for	
		Project £000's	Region and Territory £000's
Central Africa			22,109
Central Africa Federation	Central African Airways Corporation	1,750	
Northern Rhodesia...	Federal Power Board (Kariba)	15,000	16,750
Nyasaland	Chilanga Cement Ltd	1,500	1,500
	Kasungu Tobacco Estates	300	
	Nyasaland African Housing	1,000	
	Vipya Tung Estates	1,559	2,859
Southern Rhodesia ...	Southern Rhodesia African Housing	1,000	1,000
High Commission Territories			12,338
	High Commission Printing & Publishing Co Ltd ...	10	10
Basutoland	*Ox Bow Lake Power and Water	1	1
Bechuanaland	Bechuanaland Cattle Ranch	1,229	3,007
	Bushman Pits Ranch		
	Lobatsi Abattoir	1,032	
	Molopo Ranch	746	
	Molopo Settlement Scheme	2,400	
Swaziland	Mhlume (Swaziland) Sugar Co	142	
	Swaziland Cannery (Pty) Ltd	3,388	
	Swaziland Irrigation Scheme	85	
	Ubombo Ranches (Pty) Ltd	3,175	9,190
	Usutu Forests	130	130
Tristan da Cunha ...	Tristan da Cunha Development Co Ltd		
West Africa			3,601
Ghana (shown separately below) ...		350	350
Nigeria	Amalgamated Engineering Co Ltd	50	
	Coast Construction (Nigeria) Ltd	295	
	Coast Engineering Ltd		
	Ilushin Estates Ltd	265	
	Lagos Executive Development Board	1,250	
	Nigeria Housing Development Society Ltd	1,000	
	Nigerian Cement Co Ltd	187	
	Northern Housing Estates Ltd	10	
	Omo Sawmills of Nigeria Ltd	194	3,251
	Total		80,468

NEW COMMONWEALTH COUNTRIES

(totals included above)

Ghana	Coast Construction Co Ltd	350	350
Federation of Malaya	Malaya Borneo Building Society Ltd (also operates in Singapore)	3,500	
	Central Electricity Board	7,166	
	Federal Land Development Authority	600	
	Johore Palm Processing Ltd	280	
	Kulai Oil Palm Estate	820	
	Malayan Cocoa Ltd	47	
	Malayan Industrial Development Finance Co	300	
	United Cocoa Development Co Ltd	50	12,763

* Investigations

CONTINUING PROJECTS
CAPITAL APPROVED AND SPENT
BY REGIONS

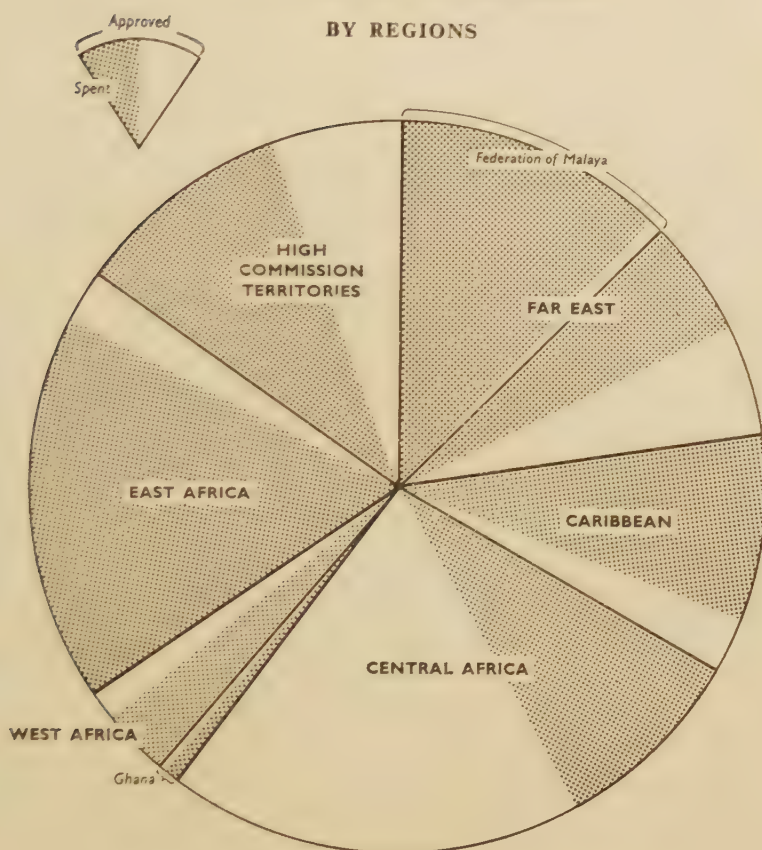


FIG. 1

							<i>Approved</i> £000's	<i>Spent</i> £000's
Caribbean	...	...	...	...	...	...	8,667	6,710
Far East	...	...	...	...	...	...	18,109	14,218
East Africa	...	...	...	...	...	...	15,644	13,809
Central Africa	...	...	...	...	...	...	22,109	7,156
High Commission Territories	...	...	...	...	...	...	12,338	7,721
West Africa	...	...	...	...	...	...	3,601	2,263
Total	...	...	...	...	...	...	80,468	51,877

NEW COMMONWEALTH COUNTRIES

(totals included above)

Federation of Malaya	...	...	...	...	...	...	12,763	11,149
Ghana	...	...	...	...	...	...	350	320

2 New business

(1) Ten new projects were:

Block Hotels Ltd
Fiji Investigations
Ilushin Estates Ltd
Jamaica Housing Development Co Ltd
Johore Palm Processing Ltd
Malayan Flour Mills (company in formation)
Malayan Industrial Development Finance (company in formation)
Mhlume (Swaziland) Sugar (company in formation)
Mostyn Estates Ltd
Nigerian Cement Co Ltd

(2) Negotiations for a successor service round BWI to follow ss *West Indian* dragged on through the year; it seems other arrangements are being made by new Federation authorities; WINCo project will be wound up (§§ 19, 36).

(3) Three of ten new projects were on CDC initiative by extension of existing ones; Mhlume Sugar Co (jointly with Sir J. L. Hulett & Sons Ltd) which, with Ubombo Ranches (Pty) Ltd in which CDC is interested, is pioneering a crop new to Swaziland; oil palms, a crop new to North Borneo, are being started at Mostyn—an outlying Borneo Abaca Ltd estate; the CDC factory transferred to Johore Palm Processing Ltd will process fruit from neighbouring growers as well as from CDC Kulai estate, and will eventually become a co-operative concern. The nascent Kasungu African smallholders scheme (tobacco) is not yet a separate project.

(4) CDC took a leading part in planning and establishing Ilushin Estates Ltd, Jamaica Housing Development Co Ltd, and Malayan Industrial Development Finance Co; and it helped shape the others.

(5) Besides new schemes successfully settled an increasing number—61 (1956 52)—were submitted to CDC during year; at 31.12.57 42 schemes (1956 36) were under investigation.

(6) Fiji Investigations is listed with projects continuing at year end (§ 2 (1)); other technical missions went to Cyprus and Cameroons.

3 New capital approved and spent

(1) Capital approved for new jobs and for expansion and completion of existing ones was £6m; gross new expenditures £7m.

(2) Graphs (Fig 2) show cumulative figures; rising curves flatten out in 1957; uncertain world economic conditions in latter part of year made prospective developers harder to move; high interest rates after September 1957 caused postponement of drawings under CDC loan contracts carrying sliding scale provisions (eg Federal Power Board).

4 Capital distribution of continuing projects

(1) Diagrams (Fig 3) show functional classification of capital approved and spent at end 1956 and 1957.

(2) Trend in 1954–6 towards more basic development (power, housing, transport and communications) and away from agriculture has been reversed; this was due to Government policy restricting public corporation borrowing from CDC for such purposes and to rising expenditure in normal course on CDC's own primary projects.

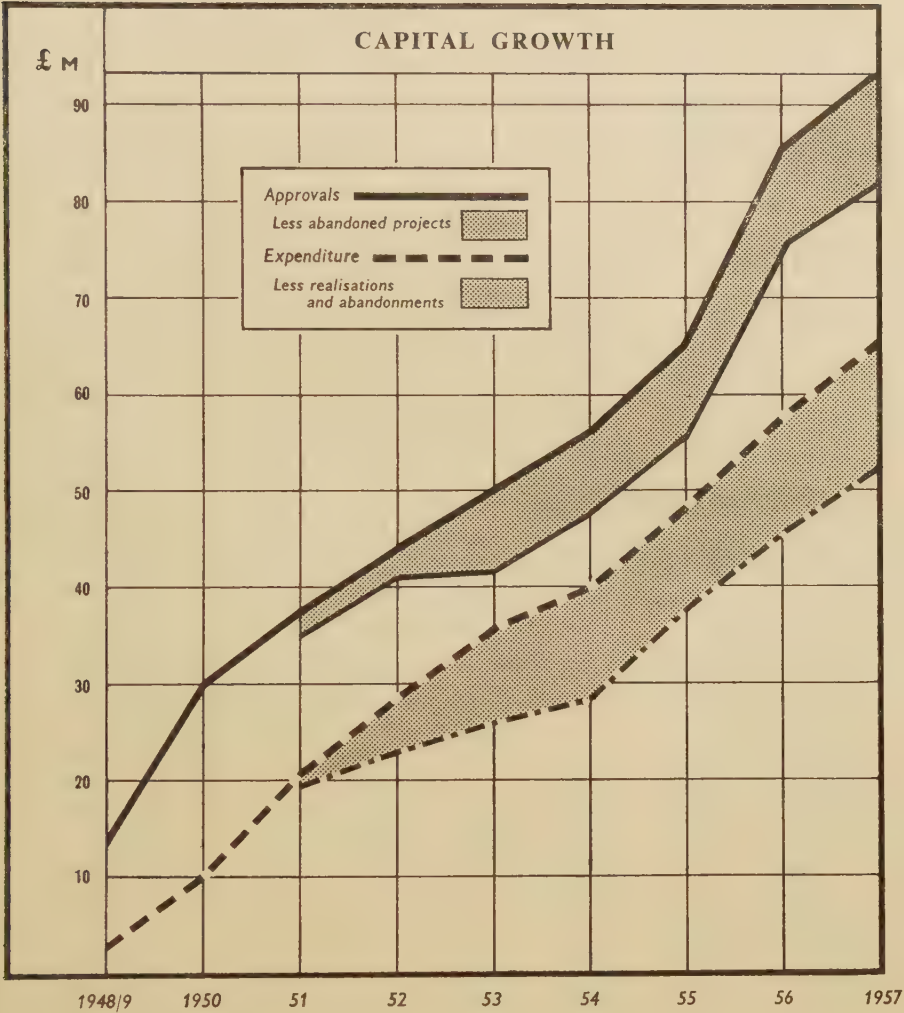


FIG. 2

FUNCTIONAL DISTRIBUTION OF PROJECTS

1956 and 1957 compared

Capital approved (shaded area shows amount spent)

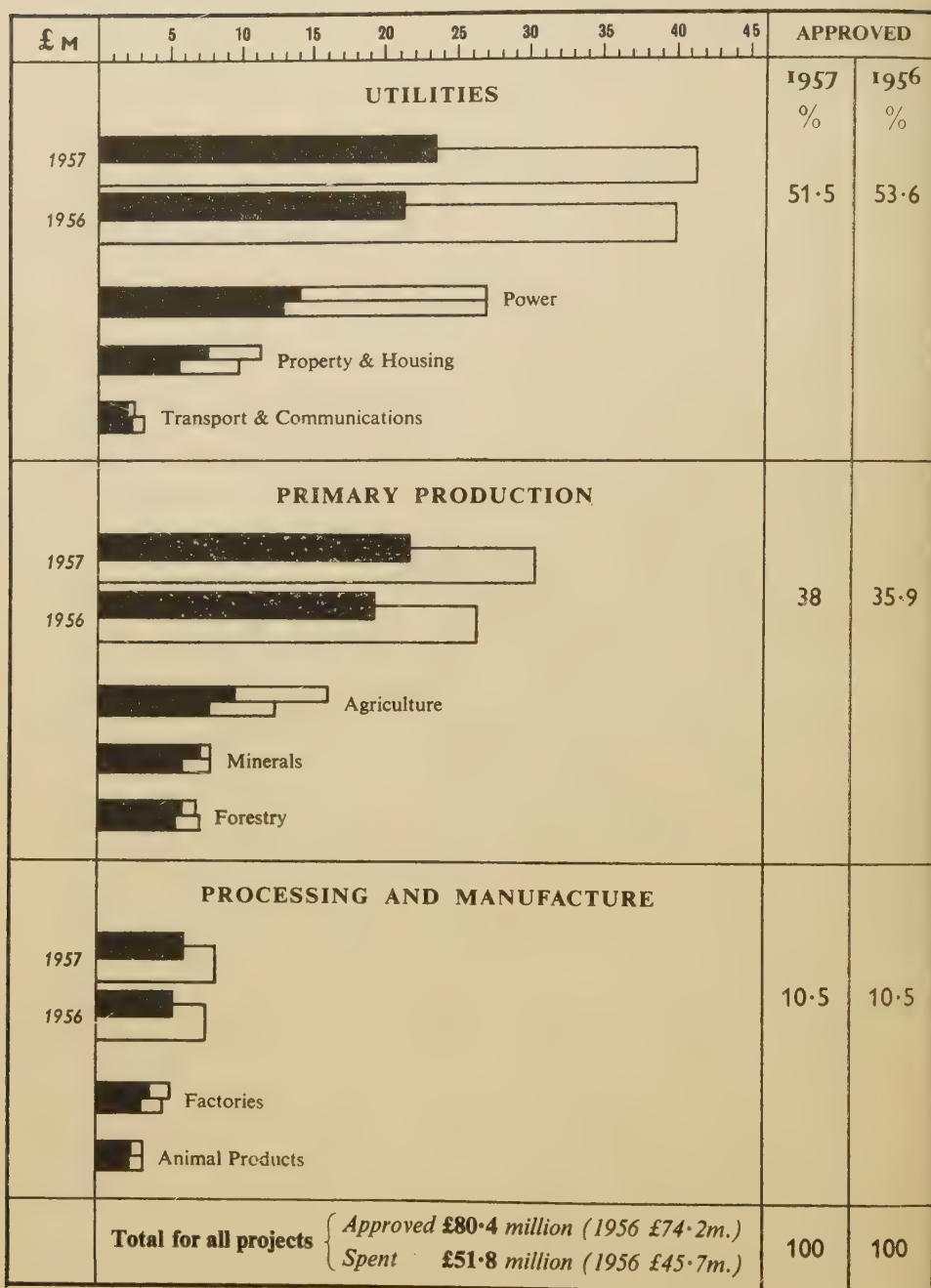


FIG. 3

5 Revenue account

- (1) Net profit was £732,868 (1956 £572,809) before transferring £400,000 (1956 nil) to general provision against book value of projects and investments—but after interest £533,920 (1956 £416,173).
- (2) Net operating profit from direct projects and subsidiaries was down from £371,718 (1956) to £227,909.
- (3) Fall in commodity prices hit CDC hard; Macalder-Nyanza Mines Ltd (copper) year's loss was £207,505; CDC has put aside £400,000 more from 1957 profits to look after investments in this and other mining projects. (§ 5 (1))
- (4) Four projects just coming into production or operation showed losses but should do better on full scale working—British Honduras Fruit Co Ltd, Kasungu Tobacco Estates, Vipya Tung Estates and Nigeria Housing Development Society Ltd. Macalder-Nyanza Mines Ltd (§ 5 (3)) gave a lot of running-in trouble, and the fall in copper price was a sore blow.
- (5) Weather—to almost world-wide extent—made its evil contribution: hurricane damage as far apart as Borneo Abaca Ltd and Melville Hall Estate (Dominica); torrential rains at Kasungu Tobacco Estates, in British Guiana and north-east Malaya; frost in Swaziland. Finally foot and mouth disease in Bechuanaland Protectorate.

6 Government interest

- (1) £573,920 interest became due (1956 £416,173) and is charged in accounts; to date relief under interest waiver on abandoned project expenditure was provisionally agreed at £40,000.
- (2) There has been misunderstanding about note 7 to accounts (statement 3). Since its start CDC will have paid at 31.3.58 £1,943,337 interest, being annual interest on all short and medium term loans and interest element in long term repayment annuities from 1955. No interest is charged on long term loans in first seven years (fructification period), but under present requirements equivalent is added to annuities to be repaid over last 33 years, and will be charged to revenue as paid. Balance so to be charged for CDC drawings to 31.12.57 is £7,918,251, calculated as simple interest, though Government say it should be *compound*.
- (3) It is arguable that fructification period was not meant to apply to investments from which CDC gets a secured and immediate income; and that interest should currently be paid. Well, if this had been done for government and government-guaranteed loans, profit/loss shown in earlier years would not have been much different since largest loans, Central Electricity Board (£7,077,950) and Central African Airways Corporation (£1,750,000) are medium term and interest has been charged each year.
- (4) As to commercial projects, seven years was adopted as fructification period—certainly too short for long term forestry and agricultural projects; and other commercial projects giving an earlier return may be regarded as averaging out.
- (5) Even if interest were to be charged currently in fructification period, a large part would be capitalised and not debited to P & L A/c; and that would inflate fixed asset valuations in BS.

(B) CONDITIONS

7 Overseas Resources Development Act, 1958

- (1) Main provisions are:

(a) CDC borrowing ceiling is raised from £100m to £150m (excluding short term finance);

- (b) Secretary of State's lending powers are raised from £100m to £130m;
- (c) in newly independent Commonwealth territories CDC can continue existing projects and provide additional capital for them if Secretary of State thinks it expedient;
- (d) in independent Commonwealth territories CDC can, with agreement of governments concerned, act as managing agents, or perform advisory functions, but without commitment of CDC funds.

(2) CDC is grateful; but is back for something more (§ 8).

8 Capital reorganisation

- (1) CDC has repeatedly submitted and urged that financing of overseas risk-bearing projects solely by repayable loan capital is woefully unsound; most CDC financial problems which hamper current, and will increasingly hamper future, operations, derive from this feature of its capital structure; it is in effect and in fact a financial nonsense.
- (2) (a) A new factor increases need and urgency for settlement of financial problems;
- (b) ORDA 1948 left it open for CDC to borrow from sources other than UK Government; amending Act 1958 says CDC must look to sources other than UK Government for £20m of its new capital;
- (c) government money is normally cheapest, and hitherto CDC has rarely borrowed permanent capital elsewhere; but for £20 any government alternative is now barred; so, for new facility to be worth anything, CDC must present itself as creditworthy by ordinary commercial standards.
- (3) CDC has done all itself can to put its leasehold into good order; it now asks the landlords to do their share as follows—all as often suggested.
- (4) (a) As to the past, CDC suggests a clean post-1951 start, involving relief from existing obligations to service capital (interest and amortisation) written off by CDC to Special Losses Account (£8,020,441) and cancellation of equivalent debt to Government;
- (b) but here there is no precedent for future; and there should perhaps be a note in the Accounts recording the £8m write-off, so that Corporation story is complete.
- (5) As to future, CDC investments are broadly of three sorts:
 - (a) *loans* (two kinds):
 - (i) government and government-guaranteed;
 - (ii) all others, except to subsidiary or associated companies where CDC has an equity (or equity conversion) holding;
 - (b) *quasi equity*, where essentially there is risk-development work of all sorts, usually long term;
 - (c) in effect *grants* (two kinds):
 - (i) for investigations and research which may or may not lead to anything productive;
 - (ii) for special sociological purposes connected with projects.
- (6) As to (5) (a)—CDC suggests that interest on money it borrows should be immediately payable (as now for short and medium term loans), and that repayment is completed at latest when CDC is according to contract fully repaid.

(7) As to (5) (b)—CDC suggests no predetermined interest or amortisation, but it would accept an obligation to pay—out of its net profits and after establishing due and prudent reserves—a share of annual revenue surpluses as dividends. CDC should also be ready to repay surplus capital if and when it cannot be usefully employed for CDC purposes.

(8) (a) As to (5) (c)—CDC suggests an imprest fund of £½m be advanced to it, to be reconstituted annually by amount of certified eligible expenditure;

(b) it might be felt that here is risk of a dangerous precedent; of efforts to get CDC away from its proper job, even to extent of overlapping with CD&W; and CDC recognises that such risks must be avoided.

(9) Having set out the problems, CDC expects that it may be argued that §§ (4) and (5) (c) might be met by absorption in (5) (b).

9 New agency arrangements

(1) In Malaya CDC established a subsidiary management company, Malaya Developments Ltd, through which Regional Controller has for some time supervised operations in Federation—an expedient recognised by Secretary of State for Colonies in House of Commons on 28.1.58 as alternative to changing CDC name; Regional Controller has been consulted by Federation Government on land development and rural industry schemes.

(2) CDC was appointed on 8.4.57 mining engineering consultants to Metals Branch of United Kingdom Atomic Energy Authority for its raw material procurement programme in Commonwealth territories.

10 'Finance-house business'

(1) CDC hopes the controversy can be buried with this report; but the issue—always confused—has recently seemed to revolve round the extent of continuing CDC interest and influence in the job concerned.

(2) CDC had, at year end, management responsibilities for 29 projects (£30m capital); there were 35 (£39m capital) in investigation and direction of which CDC was, in greater or less degree but definitely, engaged; so a purely (by and large) financial contribution only to 12 projects (£11m capital).

(3) And even where management has been contracted out, negotiation of a managing agency with a private enterprise partner does not necessarily mean that CDC is relieved of all responsibility—not by a long way.

11 Mobilisation of development finance

(1) CDC regularly exchanges information and views with Commonwealth Development Finance Co Ltd; and it has joint projects with Barclays Overseas Development Corporation.

(2) It maintains contact with International Bank for Reconstruction and Development; it would gladly mount other joint operations like Kariba.

(3) There were talks with International Finance Corporation about co-operation in Caribbean projects; approach to managerial responsibility is different, and some mutual adjustment may be needed before the two corporations can work together—which CDC greatly desires.

(4) CDC is already associated with Canadian, Danish, Italian and Netherlands capital, besides local participation in projects; it proposes to bring more capital from sources other than United Kingdom to share development responsibilities and opportunities in Commonwealth territories.

12 Local association

- (1) CDC encourages local association wherever and whenever it can be had without disproportionate commercial and efficiency risk; and will continue to do so.
- (2) Producer co-operatives and smallholder schemes attached to estate projects and central processing plants are being established.
- (3) Appointment of qualified and representative local individuals as directors has been a feature of subsidiary and associated companies; and this also will continue—incidentally encouraging inter-racial co-operation.
- (4) The increasing amount of responsibility carried by local political leaders means increased responsibility and opportunity for CDC.

13 Local corporations

As previously noted (1955 § 9 (5)) CDC entirely welcomes establishment of territorial development corporations, and likes to work with and through them. Industrial Development Corporation in Kenya, Uganda Development Corporation, Singapore Improvement Trust, and regional development boards in Nigeria are already partners; more opportunities for joint work are sought.

14 Falling commodity prices in marginal projects

- (1) CDC projects are *ex hypothesi* marginal—meaning that primary producers among them will lose money when commodity prices fall, quicker than do those who operate less marginally: then it has to be decided at what point 'good money' should not be thrown after 'bad' (1951 § 4 (18)).
- (2) Present slide in commodity prices has put several CDC projects into the red; more will follow unless trend is reversed soon; pressure on colonial economies has already begun to hurt even projects not themselves primary producers.

15 Acknowledgements

The Board of Colonial Development Corporation is grateful to:

- (a) all associates—private enterprise partners and managers, members of subsidiary and associated company boards;
- (b) overseas Governors and Governments;
- (c) scientific panel, individual experts and advisers;
- (d) auditors—London and overseas;
- (e) the General Manager;
- (f) staff of all grades, at home and overseas.

II FINANCIAL REPORT

16 Accounts for 1957

Accounts and supporting statements for year to 31.12.57 are:

- statement 1 Balance Sheet
- 2 Consolidated Balance Sheet
- 3 Notes forming part of the Accounts
- 4 Consolidated Profit and Loss Account
- 5 Details of projects supporting Consolidated Profit and Loss Account
- 6 Details of assets and liabilities of projects
- 7 Investments at cost less amounts written off.

17 Balance Sheet and Consolidated Balance Sheet

(1) Specific provisions £214,500 (£345,000 at 31.12.56) include £75,000 and £50,000 against investment in Tristan da Cunha Development Co Ltd (§ 89) and Swaziland Cannery (Pty) Ltd (§ 85) respectively.

(2) General provision against book value of projects and investments is increased to £650,000 from £250,000 (31.12.56) by transfer of £400,000 (§ 5(1)).

18 Consolidated Profit and Loss Account

(1) Net profit £732,868 (1956 £572,809) is appropriated as to £400,000 to general provision (§ 17(2)) and £332,868 to reduce debit balance on Profit and Loss Account to £1,049,231.

(2) Net profits from direct projects and subsidiary companies fell from £371,718 in 1956 to £227,909, mainly due to Macalder-Nyanza Mines Ltd loss £207,505 (1956 £77,168).

(3) Net revenue before administrative expenditure was £1,569,930 (1956 £1,498,969).

(4) Investigation expenditure written off, £30,318 (1956 £38,521) represents costs of 89 investigations, either abortive or irrecoverable.

(5) Administrative expenditure, before allocations to projects etc. was: head office £201,117 (1956 £209,920); regional offices £160,335 (1956 £145,564); end year staff at head office 158 (1956 165) and at regional offices 92 (1956 93).

BALANCE SHEET

[illegible]

Report to the Colonial Development Corporation by the Auditors appointed under Section 16 (3)

We have audited the above Balance Sheet and have obtained all the information and explanations overseas offices, and the Balance Sheet is in agreement therewith.

We have examined the annexed Consolidated Balance Sheet (statement 2) and the Consolidated Accounts (statement 3) of the Company for the year ended on 31st December, 1957, which have been audited by other firms. In our opinion the Balance Sheet and the Consolidated Accounts of affairs as at 31st December, 1957, and of the profit for the year ended on that date of the

11 Ironmonger Lane, London, E.C.2.

20th March 1958

AT 31.12.57

31.12.56		Cost less sales	Depreciation and amounts written off	
£		£	£	£
	FIXED ASSETS			
4,576,910	Freehold and leasehold land, planta- tions, concessions, buildings and constructions	6,017,166	818,995	5,198,171
815,257	Plant and machinery	1,169,627	323,431	846,196
—	Ships and vessels	3,256	—	3,256
53,622	Land clearance equipment, tractors and agricultural equipment	251,047	183,017	68,030
66,268	Motor vehicles and rolling stock ...	178,487	104,394	74,093
76,982	Furniture, fixtures, office and hotel equipment	195,750	125,390	70,360
5,589,039		7,815,333	1,555,227	6,260,106
179,663	PROGRESS PAYMENTS ON FIXED ASSETS			9,720
31,511	SURPLUS ASSETS awaiting disposal at estimated realisable values			30,337
1,440,545	FORESTRY CROPS AT COST			1,733,419
	EXPENDITURE ON DEVELOPMENT INCLUDING REVENUE EXPENDITURE CARRIED FORWARD AT COST LESS AMOUNTS WRITTEN OFF			
208,237	Land clearance		198,689	
503,531	Mining investigations and development		530,465	
555,592	General development, surveys and revenue expen- diture carried forward		607,098	
				1,336,252
	INVESTMENTS AT COST LESS AMOUNTS WRITTEN OFF			
3,587,405	Quoted (market value £2,909,473–1956 £3,020,674)...		3,587,405	
21,422,199	Unquoted		24,704,267	
				28,291,672
	SUBSIDIARY COMPANIES			
5,375,684	Investments at cost less amounts written off ...		5,791,100	
4,280,829	Advances less amounts written off		4,790,808	
				10,581,908
43,174,235				48,243,414
	CURRENT ASSETS			
675,892	Stocks, stores and livestock at cost or market value whichever is lower or at valuation... ..		732,692	
81,948	Growing crops at cost or valuation		94,667	
410,184	Debtors and prepayments less provisions		533,099	
475,184	Cash at banks and in hand		418,261	
				1,778,719
	PROFIT AND LOSS ACCOUNT			
	Balance at 1.1.57		1,382,099	
	Less amount transferred from Profit and Loss Account (statement 4)		332,868	
1,382,099				1,049,231
	SPECIAL LOSSES ACCOUNT			
8,020,441	Amounts transferred from Profit and Loss Account—as at 31.12.55			8,020,441
£54,219,983				£59,091,805

of the Overseas Resources Development Act, 1948, by the Secretary of State for the Colonies.
which we considered necessary. Proper books have been kept and proper returns received from

Profit and Loss Account (statement 4). The accounts of certain of the subsidiary companies have
together with the relative notes on statement 3 give respectively a true and fair view of the state
Corporation and also of the subsidiary companies so far as concerns the Corporation.

(Sgd.) PEAT, MARWICK, MITCHELL & Co.
Chartered Accountants
Auditors

CONSOLIDATED BALANCE SHEET OF CORPORATION

31.12.56			
£		£	£
51,746,996	CAPITAL LIABILITY Advances from Government		56,622,218
970,128	INTEREST OF MINORITY SHAREHOLDERS IN SUBSIDIARY COMPANIES OVERSEAS		1,560,923
	CAPITAL RESERVES		
	Share premium	19,907	
	Net excess of tangible assets at date of acquisition over cost of investments in subsidiary companies less amounts written off	6,860	
13,150			26,767
1,311,079	CURRENT LIABILITIES		
641,091	Creditors and accrued charges	1,468,997	
464,289	Building Society deposits	1,822,615	
2,430,057	Bank loan and overdrafts—unsecured	122,251	
	Bank loan—secured	2,811,059	
			6,224,922
345,000	PROVISIONS		
154,833	Specific provisions	214,500	
	Replanting—rubber plantations	158,257	
250,000	General provision against book value of projects and investments	650,000	
			1,022,757
	Relevant notes in statement 3 form part of this Balance Sheet		
£58,326,623			£65,457,587

AND SUBSIDIARY COMPANIES AT 31.12.57

31.12.56		Cost, net book value at date of acquisition of shares or valuation, less sales	Depreciation and amounts written off	
£		£	£	£
	FIXED ASSETS			
7,156,678	Freehold and leasehold land, plantations, concessions, buildings and constructions	9,468,919	1,346,016	8,122,903
1,961,116	Plant and machinery	2,833,519	672,226	2,161,293
186,095	Ships and vessels	254,734	96,255	158,479
126,607	Land clearance equipment, tractors and agricultural equipment ...	458,280	321,231	137,049
236,797	Motor vehicles and rolling stock ...	511,860	260,528	251,332
132,103	Furniture, fixtures, office and hotel equipment	331,384	197,303	134,081
9,799,396		13,858,696	2,893,559	10,965,137
179,663	PROGRESS PAYMENTS ON FIXED ASSETS			9,720
53,741	SURPLUS ASSETS awaiting disposal at estimated realisable values			47,080
1,440,545	FORESTRY CROPS AT COST			1,733,419
	EXPENDITURE ON DEVELOPMENT INCLUDING REVENUE EXPENDITURE CARRIED FORWARD AT COST LESS AMOUNTS WRITTEN OFF			
208,237	Land clearance		198,689	
1,473,805	Mining investigations and development		1,473,115	
646,232	General development, surveys and revenue expenditure carried forward		699,192	
2,328,274				2,370,996
130,161	SHARES AT COST IN AND ADVANCES TO A SUBSIDIARY COMPANY NOT CONSOLIDATED			130,016
32,157,855	INVESTMENTS AT COST LESS AMOUNTS WRITTEN OFF (statement 7)			37,961,074
46,089,635				53,217,442
	CURRENT ASSETS			
1,647,431	Stocks, stores and livestock at cost or market value whichever is lower or at valuation less advances...		1,660,759	
81,948	Growing crops at cost or valuation		94,667	
574,725	Debtors and prepayments less provisions		725,541	
515,024	Cash at banks and in hand		661,825	
2,819,128				3,142,792
15,320	PRELIMINARY EXPENSES OF SUBSIDIARY COMPANIES ...			27,681
	PROFIT AND LOSS ACCOUNT			
	Balance at 1.1.57		1,382,099	
	Less amount transferred from Profit and Loss Account (statement 4)		332,868	
1,382,099				1,049,231
8,020,441	SPECIAL LOSSES ACCOUNT			
	Amounts transferred from Profit and Loss Account—as at 31.12.55			8,020,441
£58,326,623				£65,457,587

NOTES FORMING PART OF THE ACCOUNTS

(1) Maximum borrowing powers of Corporation—

(a) £100m (as from 13.3.58 £150m);

(b) £10m temporarily by way of overdraft or otherwise.

(2) Assets and liabilities in colonial and foreign currencies have been converted at rates ruling at 31.12.57.

(3) Corporation has contractual commitments for capital expenditure of £70,000 (for group £155,000) and for debentures, loans and partly paid shares of £18m (for group £20m). Corporation is contingently liable in respect of guarantees.

(4) Total depreciation and amortisation charged by Corporation and its consolidated subsidiaries for year to 31.12.57 was £551,527 (1956 £562,329). In addition provision of £35,000 (1956 £35,000) has been made for replanting rubber plantations.

(5) 'Freehold and leasehold land etc' includes material expenditure on land at two projects, conveyance of which has not yet been completed.

(6) Accounts of Tristan da Cunha Development Co Ltd made up for twelve months to 30.6.57 have not been consolidated. Provision has been made in Corporation accounts for its share of accumulated losses less profits of Company.

(7) Under terms of Colonial Office directions long term (40 years) advances are repayable by annuities for 33 years beginning at end of seven years from 31st March following dates of advances. Interest charged in annuities is based on specific rates of interest applied to outstanding advances from date of each advance; precise method of calculation is under discussion between Corporation and Colonial Office. Aggregate amount of interest in future annuities attributable to so much of seven year periods as has elapsed to 31.12.57 is on Colonial Office basis £8,657,490; on Corporation basis £7,918,251; both figures before allowance for interest to be waived under section 5 of Overseas Resources Development Act, 1954. Amount of such waiver has not yet been ascertained but a provisional credit of £40,000 has been taken into account at 31.12.57 for interest portion of annuities charged in Profit and Loss Account to date.

CONSOLIDATED PROFIT AND LOSS ACCOUNT—YEAR TO 31.12.57

Year to 31.12.56				
£		£		£
371,718	NET PROFITS OF DIRECT PROJECTS AND SUBSIDIARY COMPANIES (per statement 5)			227,909
1,093,172	INCOME FROM INVESTMENTS (per statement 5)			1,316,973
34,079	PROFIT ON REALISATION OF INVESTMENTS			25,048
1,498,969				1,569,930
149,569	SPECIFIC PROVISIONS against abandoned and continuing projects and investments	17,039		
38,521	INVESTIGATION EXPENDITURE WRITTEN OFF	30,318		
218,912	ADMINISTRATIVE EXPENDITURE (head office and overseas offices)	223,100		
	Above administrative expenditure is stated after making allocations to:			
	1956			
	£			£
	74,486 Projects—revenue expenditure ...			66,487
	23,594 Fixed assets and forestry crops ...			29,441
	15,999 Expenditure on development etc ...			14,130
	Investigations and abandoned 22,493 projects			28,294
	136,572			138,352
	REMUNERATION OF MEMBERS			£
2,500	Fees			3,633
3,500	Salaries			4,375
305	Insurance premium for pension for former member	306	8,314	278,771
1,085,662				1,291,159
97,525	COLONIAL INCOME TAX less net recoveries for prior years ...			74,994
	CONSOLIDATED PROFIT OF CORPORATION AND SUBSIDIARIES, subject to interest payable to Government and to transfer to general provision			1,216,165
988,137	Add: Losses less profits attributable to interest of minority shareholders			50,623
845				1,266,788
988,982	Deduct: Interest payable to Government			
386,237	(a) on short and medium term loans	424,902		
29,936	(b) on long term loans less provisional amount credited in respect of interest waiver (see note 7)	109,018		533,920
	CONSOLIDATED PROFIT ATTRIBUTABLE TO CORPORATION (being also PROFIT OF CORPORATION FOR YEAR after writing back provisions previously made for subsidiaries to extent of Corporation's share of profits less losses of subsidiaries for year carried forward in their accounts) subject to transfer to general provision			732,868
572,809	Deduct: Transfer to general provision against book value of projects and investments			400,000
—				
£572,809	BALANCE OF PROFIT for year appropriated under Section 14 Overseas Resources Development Act 1948 to Reserve Account and applied to reduce losses brought forward (statements 1 and 2)			£332,868

Notes (4) and (7) on statement 3 form part of this Profit and Loss Account

**DETAILS OF PROJECTS SUPPORTING CONSOLIDATED
PROFIT AND LOSS ACCOUNT—YEAR TO 31.12.57**

1956		Net trading	
Loss	Profit	Loss	Profit
£	£	£	£
—	33,629	—	57,782
8	—	664	—
—	3,871	—	3,149
3,569	—	—	1,744
—	15,404	5,475	—
—	6,101	—	5,174
—	14,056	—	15,372
—	192,867	—	248,315
—	1,900	—	6,976
—	4,383	—	8,795
—	83,905	—	158,403
77,168	—	207,505	—
—	1,187	10,601	—
4,137	—	10,377	—
5,578	—	2,221	—
729	—	689	—
—	60,798	187	—
—	9,008	—	9,823
14,026	—	18,366	—
—	—	7,578	—
—	22,526	39,060	—
—	27,298	—	15,099
105,215	476,933	302,723	530,632
	105,215		302,723
Net Profit	£371,718		£227,909
	Interest and Dividends		Interest and Dividends
8,204	Barbados Light and Power Co Ltd		12,379
37,317	British Guiana Consolidated Goldfields Ltd		—
41,639	British Guiana Rice Development Co Ltd		52,285
16,032	Potaro Hydro-electric Co Ltd		—
3,192	Jamaica Citrus Growers Ltd		2,638
15,000	Jamaica Public Service Co Ltd		15,000
56,216	Trinidad Cement Ltd		54,397
300,853	Central Electricity Board, Malaya		300,853
—	Coastal Hotels Ltd		1,748
4,954	East Africa Industries Ltd		6,271
35,130	Kenya Housing Authority		56,527
15,118	Kenya Meat Commission		12,991
188,519	Kenya Power Co Ltd		192,500
—	Tangold Mining Co Ltd		11,535
1,807	Unga Ltd		52,388
62,951	Kilembe Mines Ltd		63,000
75,565	Central African Airways Corporation		102,521
11,911	Federal Power Board (Kariba)		116,700
77,460	Chilanga Cement Ltd		84,643
—	Nyasaland African Housing		12,540
11,393	Southern Rhodesia African Housing		57,032
3,897	Swaziland Cannery (Pty) Ltd		—
5,891	Ubombo Ranches (Pty) Ltd		5,891
19,000	Coast Construction Co Ltd		12,744
2,722	Amalgamated Engineering Co Ltd		3,375
3,477	Coast Construction (Nigeria) Ltd		10,901
56,250	Lagos Executive Development Board		56,250
38,674	Sundry		19,864
£1,093,172	INCOME FROM INVESTMENTS (statement 4)		£1,316,973

DETAILS OF ASSETS AND

	British Guiana Timbers Ltd	British Honduras Fruit Co Ltd (citrus)	Fort George Hotel
	£	£	£
FIXED ASSETS			
Freehold and leasehold land, plantations, concessions, buildings and constructions ...	712,075	103,411	231,804
Plant and machinery	413,550	512	2,160
Ships and vessels	187,048	—	3,256
Land clearance equipment, tractors and agricultural equipment	107,538	2,303	—
Motor vehicles and rolling stock	109,350	697	1,137
Furniture, fixtures, office and hotel equipment...	19,151	1,719	17,861
	1,548,712	108,642	256,218
Less DEPRECIATION			
Freehold and leasehold land, plantations, concessions, buildings and constructions ...	121,794	2,644	145,216
Plant and machinery	130,085	235	340
Ships and vessels	74,649	—	—
Land clearance equipment, tractors and agricultural equipment	63,071	1,749	—
Motor vehicles and rolling stock	59,916	232	142
Furniture, fixtures, office and hotel equipment...	11,927	967	6,862
	461,442	5,827	152,560
NET BOOK VALUE OF FIXED ASSETS	1,087,270	102,815	103,658
PROGRESS PAYMENTS ON FIXED ASSETS	—	—	—
FORESTRY CROPS	—	—	—
LAND CLEARANCE	—	—	—
MINING INVESTIGATIONS AND DEVELOPMENT ...	—	—	—
GENERAL DEVELOPMENT, SURVEYS AND REVENUE EXPENDITURE CARRIED FORWARD	85,798	4,633	—
INVESTMENTS			
Shares in associated companies	10,000	—	—
Debentures, secured and unsecured loans ...	8,355	—	—
Building Society advances on mortgage ...	—	—	—
CURRENT ASSETS			
Stocks, stores and livestock less advances ...	243,995	5,006	8,114
Growing crops	—	—	—
Debtors and prepayments, less provisions ...	56,990	220	4,374
Cash at banks and in hand	9,592	2,221	715
PRELIMINARY EXPENSES of subsidiary companies ...	10,151	—	—
TOTAL ASSETS	1,512,151	114,895	116,861
INTEREST OF MINORITY SHAREHOLDERS in subsidiary companies overseas	29,328	—	—
CREDITORS AND ACCRUED CHARGES	82,623	1,669	4,382
BUILDING SOCIETY DEPOSITS	—	—	—
BANK LOANS AND OVERDRAFTS	—	—	—

LIABILITIES OF PROJECTS

Dominica Electricity Services	Melville Hall Estate	Jamaica Cooling Store	St Vincent Electricity Services	Malaya Borneo Building Society Ltd	Johore Palm Processing Ltd
£	£	£	£	£	£
108,740 115,443 —	39,994 3,899 —	98,040 38,160 —	91,481 140,177 —	86,807 — —	67,705 189,860 —
— 1,589 4,340	2,622 6,250 1,273	— 4,484 2,142	— 1,932 2,693	— 7,404 37,502	— — 2,348
230,112	54,038	142,826	236,283	131,713	259,913
16,160 19,761 —	6,364 632 —	15,084 11,387 —	12,000 24,353 —	1,867 — —	199 2,283 —
— 518 3,377	262 2,864 879	— 3,416 1,831	— 1,521 1,420	— 3,844 26,556	— — 31
39,816	11,001	31,718	39,294	32,267	2,513
190,296 — — — —	43,037 — — 5,721 —	111,108 — — — —	196,989 — — — —	99,446 — — — —	257,400 — — — —
870	—	6,016	—	—	—
— — —	— — —	— — —	— — —	— 196,821 8,719,229	— — —
11,736 — 4,044 4,717 —	2,560 8,170 171 2,573 —	2,115 — 14,526 4,468 —	11,186 — 5,725 3,878 —	— — 24,972 15,386 —	6,601 — 1,925 — —
211,663	62,232	138,233	217,778	9,055,854	265,926
— 7,215 — —	— 1,247 — —	— 1,108 — —	— 5,464 — —	1,218,208 231,704 1,940,549 2,811,059	— — — —

STATEMENT 6 (continued)

DETAILS OF ASSETS AND

	Kulai Oil Palm Estate	Singapore Factory Develop- ment	Borneo Abaca Ltd
	£	£	£
FIXED ASSETS			
Freehold and leasehold land, plantations, con- cessions, buildings and constructions ...	784,073	31,203	1,881,851
Plant and machinery	47,545	—	343,475
Ships and vessels	—	—	63,768
Land clearance equipment, tractors and agri- cultural equipment	—	—	59,200
Motor vehicles and rolling stock	5,659	—	188,824
Furniture, fixtures, office and hotel equipment...	11,455	—	32,009
	848,732	31,203	2,569,127
Less DEPRECIATION			
Freehold and leasehold land, plantations, con- cessions, buildings and constructions ...	46,975	—	312,229
Plant and machinery	25,540	—	108,224
Ships and vessels	—	—	20,973
Land clearance equipment, tractors and agri- cultural equipment	—	—	42,075
Motor vehicles and rolling stock	3,587	—	70,523
Furniture, fixtures, office and hotel equipment...	4,215	—	14,564
	80,317	—	568,588
NET BOOK VALUE OF FIXED ASSETS	768,415	31,203	2,000,539
PROGRESS PAYMENTS ON FIXED ASSETS	—	—	—
FORESTRY CROPS	—	—	—
LAND CLEARANCE	—	—	—
MINING INVESTIGATIONS AND DEVELOPMENT	—	—	—
GENERAL DEVELOPMENT, SURVEYS AND REVENUE EXPENDITURE CARRIED FORWARD	121,006	—	63,512
INVESTMENTS			
Shares in associated companies... ..	134	—	—
Debentures, secured and unsecured loans ...	—	140,961	—
Building Society advances on mortgage ...	—	—	—
CURRENT ASSETS			
Stocks, stores and livestock less advances ...	24,854	—	357,905
Growing crops	—	—	—
Debtors and prepayments, less provisions ...	8,294	17,802	12,241
Cash at banks and in hand	62	1,943	33,521
PRELIMINARY EXPENSES of subsidiary companies ...	—	—	—
TOTAL ASSETS	922,765	191,909	2,467,718
INTEREST OF MINORITY SHAREHOLDERS in subsidiary companies overseas	—	—	41,368
CREDITORS AND ACCRUED CHARGES	15,172	2,751	99,348
BUILDING SOCIETY DEPOSITS	—	—	—
BANK LOANS AND OVERDRAFTS	—	—	—

LIABILITIES OF PROJECTS

Macalder- Nyanza Mines Ltd	Rungwe Coal Company (Rungwe Coal Co Ltd)	Tanganyika Coalfields and Liganga Iron Investigations	Tanganyika Wattle Estates (Tanganyika Wattle Co Ltd)	Kasungu Tobacco Estates	Vipya Tung Estates
£	£	£	£	£	£
616,857	—	—	258,185	78,880	839,273
672,202	—	1,893	201,891	9,866	40,986
—	—	—	—	—	—
13,815	—	—	43,137	14,577	18,716
7,726	633	—	21,083	4,596	5,390
37,125	1,733	—	11,885	4,547	7,691
1,347,725	2,366	1,893	536,181	112,466	912,056
54,978	—	—	38,177	20,701	228,531
93,078	—	1,734	7,633	3,548	5,898
—	—	—	—	—	—
13,815	—	—	39,926	4,289	16,573
7,726	570	—	11,091	3,206	5,362
15,705	1,140	—	8,689	3,729	6,845
185,302	1,710	1,734	105,516	35,473	263,209
1,162,423	656	159	430,665	76,993	648,847
—	—	—	—	8,695	—
—	—	—	677,692	—	—
975,930	68,418	496,919	126,205	1,173	—
—	—	—	—	—	—
—	—	—	8,272	13,350	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
243,187	—	19	50,024	14,666	32,208
—	—	—	745	20,058	—
41,772	—	3	3,227	2,280	7,344
3,555	2	4	5,751	8,013	2,702
5,169	248	—	4,000	—	—
2,432,036	69,324	497,104	1,306,581	145,228	691,101
99,162	—	—	—	—	—
93,697	35,172	25	18,775	8,406	7,386
—	—	—	—	—	—
—	—	—	—	—	—

STATEMENT 6 (continued)

DETAILS OF ASSETS AND

	Bechuanaland Cattle Ranch	Bushman Pits Ranch
	£	£
FIXED ASSETS		
Freehold and leasehold land, plantations, concessions, buildings and constructions	98,970	8,799
Plant and machinery	16,947	2,582
Ships and vessels	—	—
Land clearance equipment, tractors and agricultural equipment	10,733	—
Motor vehicles and rolling stock	6,617	1,190
Furniture, fixtures, office and hotel equipment	5,863	487
	139,130	13,058
Less DEPRECIATION		
Freehold and leasehold land, plantations, concessions, buildings and constructions	32,228	2,180
Plant and machinery	9,484	626
Ships and vessels	—	—
Land clearance equipment, tractors and agricultural equipment	9,652	—
Motor vehicles and rolling stock	3,934	297
Furniture, fixtures, office and hotel equipment	4,466	117
	59,764	3,220
NET BOOK VALUE OF FIXED ASSETS	79,366	9,838
PROGRESS PAYMENTS ON FIXED ASSETS	—	1,025
FORESTRY CROPS	—	—
LAND CLEARANCE	—	—
MINING INVESTIGATIONS AND DEVELOPMENT	—	—
GENERAL DEVELOPMENT, SURVEYS AND REVENUE EXPENDITURE		
CARRIED FORWARD	—	2,678
INVESTMENTS		
Shares in associated companies	—	—
Debentures, secured and unsecured loans	—	—
Building Society advances on mortgage	—	—
CURRENT ASSETS		
Stocks, stores and livestock less advances	132,494	—
Growing crops	205	—
Debtors and prepayments less provisions	735	12,648
Cash at banks and in hand	4,576	—
PRELIMINARY EXPENSES of subsidiary companies	—	—
TOTAL ASSETS	217,376	26,189
INTEREST OF MINORITY SHAREHOLDERS in subsidiary com- panies overseas	—	—
CREDITORS AND ACCRUED CHARGES	4,978	69
BUILDING SOCIETY DEPOSITS	—	—
BANK LOANS AND OVERDRAFTS	—	11,400

LIABILITIES OF PROJECTS

Lobatsi Abattoir	Molopo Ranch and Settlement Scheme	Swaziland Irrigation Scheme	Usutu Forests	Nigeria Housing Development Society Ltd	Omo Sawmills of Nigeria Ltd
£	£	£	£	£	£
291,369	95,069	1,873,358	911,966	12,062	149,004
338,468	13,540	75,883	115,463	—	76,479
—	—	—	—	—	662
—	1,869	144,024	15,169	—	26,218
1,055	3,169	40,102	60,198	1,441	20,764
14,646	2,388	16,886	8,304	1,662	4,118
645,538	116,035	2,150,253	1,111,100	15,165	277,245
36,067	21,229	94,672	78,846	75	49,582
110,273	4,982	40,400	56,176	—	32,361
—	—	—	—	—	633
—	838	103,606	7,871	—	17,688
277	1,928	32,537	27,206	231	13,806
7,689	1,474	10,664	3,528	134	2,029
154,306	30,451	281,879	173,627	440	116,099
491,232	85,584	1,868,374	937,473	14,725	161,146
—	—	—	—	—	—
—	—	—	1,572,193	—	—
—	—	115,840	—	—	—
—	—	—	—	—	—
75,429	24,844	358,408	100,000	—	1,905
—	—	39	259	—	—
—	—	44,343	—	—	—
—	—	—	—	1,151	—
42,786	130,972	185,470	70,237	48	73,060
—	—	54,261	11,228	—	—
84,884	2,454	11,371	25,344	1,378	35,145
1,353	843	12,653	21,716	178,331	950
—	—	—	—	7,227	—
695,684	244,697	2,650,759	2,738,450	202,860	272,206
—	—	—	—	80,469	92,388
18,689	8,222	79,162	29,436	1,088	42,429
—	—	—	—	600	—
67,526	—	—	—	—	43,325

INVESTMENTS AT COST LESS AMOUNTS WRITTEN OFF

SHARES IN ASSOCIATED COMPANIES				£	£
(a) quoted					
	British Guiana Consolidated Goldfields Ltd	...	...	87,852	
	Chilanga Cement Ltd			553,846	
	(market value £825,049)				641,698
(b) unquoted					
	Potaro Hydro-electric Co Ltd	...	...	72,000	
	Trinidad Cement Ltd	...	...	1,035,000	
	Malayan Cocoa Ltd	...	...	42,000	
	United Cocoa Development Co Ltd	...	...	14,833	
	East Africa Industries Ltd	...	...	275,000	
	Unga Ltd	...	...	250,000	
	Tangold Mining Co Ltd	...	...	300,000	
	Kilembe Mines Ltd	...	...	1,140,000	
	Chilanga Cement Ltd	...	...	180,000	
	Coast Construction Co Ltd	...	...	50,000	
	Coast Construction (Nigeria) Ltd	...	...	30,000	
	Ilushin Estates Ltd	...	...	33,125	
	Nigerian Cement Ltd	...	...	187,500	
	Northern Housing Estates Ltd	...	...	1,000	
	Greenheart (Demerara) Inc	...	...	10,000	
	Sundries	...	...	463	
					3,620,921
DEBENTURES, SECURED AND UNSECURED LOANS					
(a) quoted					
	Kenya Power Co Ltd (market value £2,887,500)	...	...		3,499,553
(b) unquoted					
	Barbados Light and Power Co Ltd	...	...	250,000	
	British Guiana Consolidated Goldfields Ltd	...	...	651,447	
	British Guiana Rice Development Co Ltd	...	...	1,042,000	
	Potaro Hydro-electric Co Ltd	...	...	340,000	
	Cayman Islands Airport	...	...	44,400	
	Jamaica Citrus Growers Ltd	...	...	50,000	
	Jamaica Public Service Co Ltd	...	...	294,000	
	Central Electricity Board, Malaya	...	...	7,077,950	
	Coastal Hotels Ltd	...	...	60,000	
	East Africa Industries Ltd	...	...	176,000	
	Kenya Housing Authority	...	...	1,270,000	
	Kenya Meat Commission	...	...	225,000	
	Unga Ltd	...	...	600,000	
	Mbeya Exploration Co Ltd	...	...	287,920	
	Tangold Mining Co Ltd	...	...	450,000	
	Kilembe Mines Ltd	...	...	1,050,000	
	Central African Airways Corporation	...	...	1,750,000	
	Federal Power Board (Kariba)	...	...	2,050,000	
	Nyasaland African Housing	...	...	400,000	
	Southern Rhodesia African Housing	...	...	1,000,000	
	Chilanga Cement Ltd	...	...	86,400	
	High Commission Printing and Publishing Co Ltd	...	...	7,000	
	Swaziland Cannery (Pty) Ltd	...	...	80,571	
	Ubombo Ranches (Pty) Ltd	...	...	98,179	
	Coast Construction Co Ltd	...	...	270,000	
	Amalgamated Engineering Co Ltd	...	...	50,000	
	Coast Construction (Nigeria) Ltd	...	...	140,000	
	Lagos Executive Development Board	...	...	1,250,000	
	Advances on mortgage	...	...	184,791	
	Sundries	...	...	242,864	
					21,478,522
BUILDING SOCIETY ADVANCES ON MORTGAGE					
	Malaya Borneo Building Society Ltd	...	...	8,719,229	
	Nigeria Housing Development Society Ltd	...	...	1,151	
					8,720,380
	per statement 2	...	...	...	£37,961,074

III PROJECT REPORTS

CARIBBEAN REGION

19 Regional summary

(1) There are 17 projects in the federated territories of British West Indies, and in British Guiana and British Honduras; total capital approved at 31.12.57 was £8,667,000 of which £6,710,000 had been spent.

(2) Preparations for federation on 1.1.58 were the engrossing feature of the political scene; no one was able to commit Federal Government in advance to shipping plans; despite early warnings *West Indian* service finished on 9.1.58. WINCo was kept alive by artificial respiration in case Federal Government decided that it wanted the Company to operate a new service; it did not; Company's offer was rejected at end February. Some new arrangements seem to have been made, or to be about to be made; good luck to them, but CDC has not been told what they are. This service to the West Indies has cost CDC £170,000; nobody has said Thank you.

(3) In early 1957 prospects of important new projects seemed brighter than for some time, and HO and RO staffs spent much time and effort on investigations and such-like preliminary work. There was an exchange of letters with International Finance Corporation in Washington with a view to joint working in British Guiana and British Honduras. But this and other concerns in North America which had shown interest cooled off as the United States recession deepened. In the melancholy event a housing scheme in Jamaica in association with The Standard Life Assurance Co and encouraged by Jamaica Government was the only new project finalised—sound but solitary.

(4) Unseasonable weather affected crops at British Honduras Fruit, Melville Hall (Dominica) and British Guiana (rice)—the latter meaning a big drop in *ss West Indian* revenue—while completion of British Guiana Consolidated Goldfields hydro scheme was again infuriatingly frustrated by extraordinary water levels in Potaro river.

(5) A disappointing year for all who have worked for this region.

BARBADOS

20 Barbados Light & Power Co Ltd

(1) (a) Issued capital BWI \$3,727,880 (776,642) in 645,576 \$5 ordinary shares (mostly held by parent UK Barbados Electricity Supply Cpn Ltd) and 100,000 5½% preference shares of \$5 each held by Barbados public;
(b) £250,000 secured loan from CDC, with conversion rights attaching 25% outstanding balance any time; fully drawn at 31.12.57.

(2) (a) New 2,500 kw steam generator ordered October bringing total capacity to 9,500 kw;
(b) expansion continued; units sold year ended 30.6.57 20,542,589 kwh (1955/56 17,922,643);
(c) Company has plans for further expansion and has asked CDC for finance.

(3) Application by Company for 12½% increase in power charges granted as from 1.7.57 by Chief Justice on appeal.

(4) Company's profit for year to 30.6.57, £36,384 (previous year £23,900) before tax.

21 British Guiana Consolidated Goldfields Ltd

- (1) (a) Public company; issued capital £294,628 in 2/- ordinary shares; CDC holds £87,893.16.0d.;
 (b) CDC loans—1st debenture £178,704 with conversion rights until 31.12.58; 2nd debenture £472,743.
- (2) Konawaruk dredge completion again had to wait on power from Potaro installation (§ 24) not available until June; dredge entered gold reserve area on last day of year.
- (3) (a) CDC had again to help Company by granting a moratorium on capital service payments due during year, and since year end has agreed to lend £80,000 more;
 (b) Company accepted establishment of a local committee of London board to supervise operations in British Guiana and advise London board on policy;
 (c) managing director in Surinam of N.V. Billiton Maatschappij, associated with CDC in a Tanganyika project and experienced in dredging techniques, was persuaded to serve on this committee;
 (d) there has been a shake-up; there will be better supervision.
- (4) Short strikes in October/November 1957 and February/March 1958 were caused by inter-union rivalries.
- (5) (a) Output (Potaro dredge) 9,595 f oz from 1,409,120 cu yds (1956, 12,387 f oz from 1,666,690 cu yds);
 (b) loss (one dredge working with two dredge overheads) after charging depreciation and amortisation of development £28,800 and debenture interest £36,900 in full was £77,500 (1956 loss £43,160).
- (6) Both dredges are now working—although Konawaruk will require some time for nice adjustment of equipment settings—and 1958 should show how far this large and hitherto harassing investment has been justified.

22 British Guiana Rice Development Co Ltd

- (1) (a) Loan in 1952 of £1,042,000 guaranteed by British Guiana Government for expansion of rice production, repayable five years after drawing;
 (b) money mainly used in erection, improvement and operation of rice factories;
 (c) full amount drawn at 31.12.57.
- (2) Additional £250,000 short-term loan authorised for seasonal working capital not drawn for 1957/58 season.
- (3) Government is reviewing policy as to rice development which may involve more capital.

23 British Guiana Timbers Ltd

- (1) (a) Issued capital BG\$7,248,000 (£1,510,000) of which CDC holds BG\$7,073,200 (£1,473,583), rest held by Industrial Holdings (BG) Ltd (Bookers) and Greenheart (Demerara) Inc (of USA);
 (b) Company has further reduced its current account with CDC from £257,256 to £213,414;
 (c) total CDC outlay at cost less amounts written off £1,417,511.

- (2) (a) Another year of steady progress and improvement in all departments, aided by good weather in forest;
 (b) 870 Guianese employed; further promotions after training; labour relations remain good; it is hoped to renew with union agreement mentioned last year.
- (3) (a) Deliveries from forest 28,597 tons (1956 25,443) an increase of 12·4 %;
 (b) Houston sawmill output 13,761 tons (of 50 cu ft) of lumber; increase of 2·3 % over 1956 (13,451 tons).
- (4) (a) Sales were:

		1957		1956	
		tons	£	tons	£
Logs and piling...	...	7,188	166,527	6,780	163,081
Lumber ...	...	14,379	455,745	13,892	424,027
		21,567	622,272	20,672	587,108

- (b) stocks of lumber and piling down;
 (c) exports increased in value by 6 % to £378,148 (1956 £357,805);
 (d) markets by value were:

		1957	1956
UK and Continent	...	32 %	29 %
USA	...	25 %	27 %
West Indies	...	4 %	5 %
Local	...	39 %	39 %

- (e) demand for lumber in both local and export markets was good; sales of hewn squares increased and in last six months piling sales improved;
 (f) ability of sawmill to fabricate special products has become better known, especially in USA;
 (g) Company paid small loggers and millers £51,370 for logs and lumber for export; this helps to meet orders and assists small producers;
 (h) US market survey shows good prospect for more sales.

- (5) Net profit before charging £14,223 interest on current account (1956 £19,868) was £57,782 (1956 £33,629).
 (6) Plenty of orders for first half of 1958 but later prospects in UK less favourable.

24 Potaro Hydro-electric Co Ltd

- (1) (a) Issued capital BG\$768,000 (£160,000), of which British Guiana Consolidated Goldfields Ltd holds £88,000 (55 %), CDC £72,000 (45 %);
 (b) CDC debenture loan £340,000.
- (2) (a) Installations were completed sufficiently to supply power to British Guiana Consolidated Goldfields Ltd (§ 21) dredges in June—first set on 18th and second on 28th; but main dam has not yet been closed—a gabion coffer dam has been built round gap;
 (b) weather was again extreme; mid-year floods caused damage, while abnormally low river levels in dry months September-November affected power output.
- (3) (a) Units generated 1,646,000 kwh (six months);
 (b) loss £10,779, due to part year operation, after charging interest £10,293, depreciation and amortisation £21,266.

BRITISH HONDURAS

25 British Honduras Fruit Co Ltd (citrus and cocoa)

- (1) Capital at 31.12.57 £113,974.
- (2) Planted area unchanged—506 acres citrus (oranges 496 acres, grapefruit ten acres) and 31 acres high grade cocoa.
- (3) 4,449 boxes oranges produced (1956 3,484).
- (4) Colonial Office mission visited British Honduras in February 1958 to enquire into needs of citrus industry, with aim of improving efficiency and output in field and factory.
- (5) Small first cocoa crop sold at good prices; seeds also supplied to Government for local farmers; prospects of profitable development of cocoa in area seem good.
- (6) Loss £664 (1956 £8)—trees only just coming into bearing.

26 Fort George Hotel, Belize

- (1) Capital at 31.12.57 £112,479 (£150,000 written off in 1953).
- (2) During season January–April American tourists increased business; thereafter custom fluctuated, tailing off in last quarter.
- (3) Improved services and amenities provided under management of Dinkler Hotels Inc of Atlanta, Georgia; two motor fishing boats supplied for hire to guests.
- (4) Government sponsored Tourist Board ineffective as no funds to inaugurate much needed publicity; hotel still awaits small pier which Government proposes to build.
- (5) Hotel earned US\$60,000.
- (6) 1957 net profit £3,149 on takings of £57,401 (1956 £3,871 on £52,099).

DOMINICA

27 Dominica Electricity Services

- (1) Capital at 31.12.57, £219,893.
- (2) (a) Peak load has reached generating capacity; but little incentive to expand while present level of Government tariff continues and industrial demand does not grow;
(b) hydrological survey suggests more hydro-electric development unlikely to be economic; any expansion would need diesel plant.
- (3) Units sold increased by 15% to 1,710,000 kwh (1956 1,480,000); costs further reduced; profit £1,744 (1956 £3,569 loss) is not yet enough to service capital.

28 Melville Hall Estate

- (1) Capital at 31.12.57 £60,973.
- (2) (a) 296 acres bananas, 223 acres coconuts, 33 acres cocoa, small areas citrus and coffee;
(b) estate ships more bananas than any other Windward Island producer, thus encouraging frequent shipping services to benefit of all local producers.
- (3) (a) Bad year for estate; extensive storm damage at end 1956 was followed by severe drought lasting into August;



Fort George Hotel, Belize, British Honduras, has increased tourist trade; is designed to permit expansion when needed,



Dominica Electricity Services; overhead cables carry electricity to public buildings, industries, shops and houses in the capital town of Roseau and surrounding country.

(b) 619 tons bananas sold through Dominica Banana Association (1956 1,305);

(c) copra sales were 97·82 tons (1956 85·38);

(d) first experimental cocoa crop promising.

(4) Net loss £5,475 (1956 £15,404 profit) is first since 1952 due to lower output; sales dropped from £45,000 in 1956 to £24,000 in 1957—first year since 1951 that sales have fallen.

(5) Bananas appear to have recovered and prospects for 1958 are fair, given reasonable weather.

JAMAICA AND DEPENDENCIES

29 Cayman Islands Airport

(1) £55,500 loan (1953) to finance construction; repayment by 20 annual instalments; outstanding at 31.12.57 £44,400.

(2) Principal and interest secured on Island's revenue and guaranteed by Government.

(3) Airport has been basis of growing tourist trade.

30 Jamaica Citrus Growers Ltd

(1) Loan of £110,000 (1951) to finance extension of fruit-processing factory; repayable over ten years from 31.3.52; outstanding at 31.12.57 £50,000.

(2) Company is good customer of CDC Cooling Store (§ 31).

(3) CDC represented on board by its Regional Controller.

(4) Principal and interest secured on assets and guaranteed by parent body, Citrus Growers Association Ltd.

31 Jamaica Cooling Store

(1) Capital at 31.12.57 £137,125.

(2) With conversion of one cooling room to cold storage finished May, capacity is now 70,000 cu ft cooling space and 14,000 cu ft cold storage.

(3) Store was designed to serve citrus export industry; now also handles increasing volume of other perishable foodstuffs.

(4) In non-citrus season, April–September, other business is being built up for cooling space; cold storage space fully occupied throughout year.

(5) Local or other suitable participation still being sought.

(6) Addition of 40,000 cu ft for either cooling space or cold storage is under consideration.

(7) Net profit was £5,174 on storage charges of £31,471 (1956 £6,101 on £27,032): storage charges not raised to cover higher costs until late in year.

32 Jamaica Housing Development Co Ltd

(1) Agreement reached with The Standard Life Assurance Company, of Edinburgh, for formation of Company in Jamaica.

(2) CDC and Standard will each advance up to £750,000 on 20-year loan to Company as required; share capital £1,000 also subscribed equally by CDC and Standard.

(3) Company will provide finance to purchasers of houses being built by West Indies Building Ltd, a company formed by local interests with a Puerto Rican construction group, on Mona Plain near Kingston; Jamaica Government are making land available.

(4) (a) About 700 three-bedroomed single-storey houses will be built by poured concrete, by contractors who successfully employed this method in Puerto Rico; first should be finished June 1958;

(b) selling price of houses about £2,900; Company will lend on mortgages with life assurance collateral.

(5) Standard and CDC each nominate two members to Company board; Standard provide management.

(6) Nothing drawn at year end.

33 Jamaica Public Service Co Ltd

(1) Ten-year loan to body responsible for electricity supply to 12 of Jamaica's 14 parishes, including Kingston and St Andrew; it serves 40,000 consumers.

(2) £300,000 issued in 1953 at 98% repayable at par; principal and interest secured on assets.

(3) Over 50% of electricity sales are to agriculture and industry; power generated—192m kwh—was 18% more than in 1956 (162m kwh); operating revenue was £1.7m (1956 £1.3m).

ST VINCENT

34 St Vincent Electricity Services

(1) Capital at 31.12.57 £171,547.

(2) (a) Extensions to distribution system and transmission lines continued;

(b) station is fully loaded; no further expansion possible until new 280 kw diesel set installed late 1958;

(c) growing list of islanders await connection; new set will carry these and peak loads; and look after normal growth till 1961.

(3) Possibilities of further hydro-electric development examined; they are not favourable as difficult terrain makes cost high; further development likely by diesel sets until load becomes big enough for a steam turbine.

(4) Units sold 2,000,000 kwh (1956 1,750,000); profit £15,372 (1956 £14,056).

TRINIDAD

35 Trinidad Cement Ltd

(1) (a) Issued capital BWI\$7,680,000 divided into 542,400 \$5 ordinary shares (\$2,712,000) and 993,600 \$5 5% cumulative redeemable preference (\$4,968,000);

(b) The Rugby Portland Cement Co Ltd owns all ordinary shares, CDC all preference;

(c) CDC holding reduced to \$4,968,000 (£1,035,000) by redemption of 55,200 preference shares.

(2) Company again had a successful year; preference dividends received £54,397, including accrued dividend on shares redeemed during year.

(3) Additional plant will be in production during 1958.

36 West Indies Navigation Co Ltd

- (1) (a) Company incorporated in Trinidad; issued capital BWI\$216,000 (£45,000) held equally by Jardine, Matheson & Co Ltd, Indo-China Steam Navigation Co Ltd and CDC; in addition CDC has advanced BWI\$660,000 (£137,500) for working capital;

(b) general managers—Jardine, Matheson & Co (Caribbean) Ltd.

- (2) (a) Under agreement with local governments Company operated shipping service (passenger and freight) in BWI and to British Guiana for three years from 5.1.55; UK and local governments contributed subsidy £50,000 per annum;

(b) service stopped on 9.1.58 on expiry of charter of ss *West Indian*; for long and weary and unsuccessful negotiations for a continuing service see below.

- (3) (a) Ship completed ten round voyages between British Guiana and Jamaica in 1957 with four diversions to Turks Islands;

	1957	1956
(b) Miles steamed	40,400	36,000
Ports of call	236	206
Cargo, tons	25,721	28,885
Freight—ton miles	27,460,873	28,790,799
Passengers	8,763	5,497
Passenger miles	2,458,413	1,645,075

- (4) Cost of ship operation and bunkering, port handling charges and repairs continued to increase; little improvement in speed of handling in ports.

- (5) (a) Estimated loss BWI\$268,000 (1956 BWI\$228,590);

(b) freight rates were increased by 10% during year;

(c) rice cargoes were reduced (6,600 tons compared with 9,000 tons in 1956) owing to bad weather in British Guiana; other cargoes showed little change;

(d) in all, operation of ss *West Indian* has cost the Company £200,000 over three years, after subsidy; Company has fulfilled all its obligations, and performance of ship improved steadily; cost of service to governments has been limited to agreed subsidy of £150,000 over the three years; Company has had to bear the increased costs of operation.

- (6) (a) Discussions continued throughout 1957 as to a ship or ships to succeed ss *West Indian*;

(b) Standing Federation Committee (SFC) considered report made in December 1956 by shipping expert from UK;

(c) in April, at request of SFC, Company made proposals for service by two cargo/passenger vessels of about 1,500 tons; SFC rejected it in May as too expensive;

(d) Company, to expedite decision, suggested in October appointment of shipping commissioner with authority to appoint operators and to arrange temporary service on Federal Government account by chartered vessels;

(e) shipping commissioner in November invited offers to operate a service with two chartered cargo vessels, of about 1,200 tons capacity each, and 60 deck passengers;

(f) Company immediately tendered—along with several other firms, so understood; Company was notified end February tender not accepted; and that was the inglorious end of that.

FAR EAST REGION

37 Regional summary

- (1) Capital approved for 12 projects in Federation of Malaya, Singapore and North Borneo £18,108,000; spent £14,218,000.
- (2) Federation of Malaya became an independent nation within the Commonwealth on 31.8.57; here CDC continues what has been started, but may invest in nothing new; Malaya Developments Ltd is ready and eager to help with advisory and management services if asked by Federation Government; Company head office moved from Singapore to Kuala Lumpur.
- (3) Of five new jobs in region, two are developments from existing ones; Mostyn Estate (5,500 acres) of Borneo Abaca Ltd is formed into a separate company to develop oil palms—a new crop for Borneo; Kulai Oil Palm Estate factory in Johore, just finished, was incorporated as Johore Palm Processing Ltd; it will be available on co-ownership basis to process fruit from smallholders' oil palm industry which should now develop in South Johore under joint sponsorship of Malaya Developments Ltd and Federal Land Development Authority; a third is a Singapore investment in Malayan Flour Mills Co, establishing first flour mill in Malaya.
- (4) Malayan Industrial Development Finance Co, agreed in principle last year, is still unformed, awaiting agreement on detail by Government and banks; incorporation expected in 1958.
- (5) In July CDC Regional Controller visited Fiji; early in 1958 technical officers were there working out plans for possible forestry development and cocoa/banana expansion; means must be found to develop Fijians' own share of production; plans will be based on Fijian partnership.
- (6) Some proposals from Hong Kong and Sarawak are under consideration.
- (7) 1957 turnover of trading projects under CDC control again showed large increases over previous year—Borneo Abaca Ltd £941,647 (1956 £852,007); Kulai Oil Palm Estate £85,067 (1956 £64,647); Malaya Borneo Building Society Ltd £3,421,844 (1956 £2,695,839).

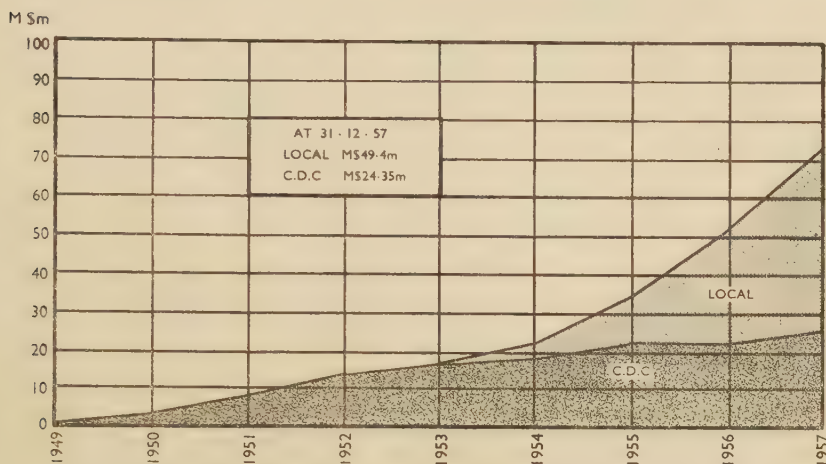
FEDERATION OF MALAYA, AND SINGAPORE

38 Malaya Borneo Building Society Ltd

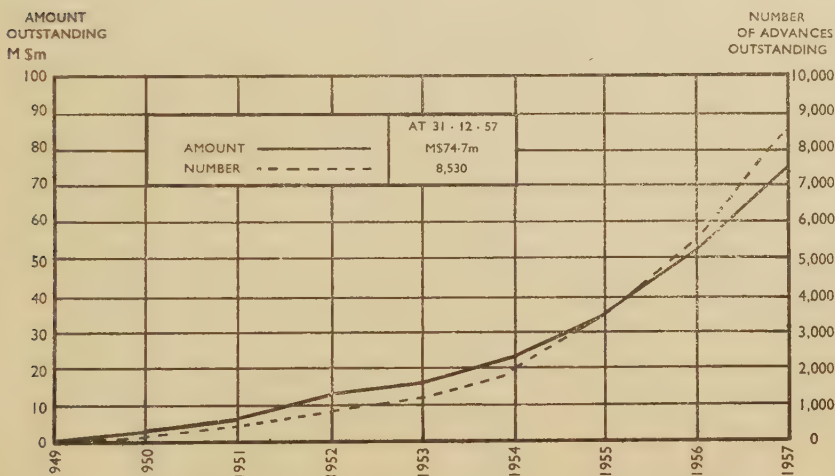
- (1) (a) Issued capital M\$27,218,802 of M\$24,718,802 ordinary shares and M\$2,500,000 7½% cumulative redeemable preference;
(b) CDC held M\$15m (£1,750,000) of ordinary and all preference (£291,667); balance of ordinary held by Federal Government;
(c) loan finance totalled M\$29·94m of which CDC M\$5·85m (£682,500), The Hongkong and Shanghai Banking Corporation M\$23·27m—part of agreed loan M\$30m—and Oversea-Chinese Banking Corporation M\$0·82m;
(d) deposits totalled M\$16·63m of which M\$1m (£116,666) on short term from CDC, M\$6·65m on short term from Federal Government, M\$4·5m from Federal Housing Trust and M\$2·13m from insurance societies;

(e) total CDC participation increased by M\$3.5m from M\$20.85m to M\$24.35m (£2,840,833);

(f) diagram shows growth of local participation following original CDC initiative:



(2) (a) 3,175 applications were approved in 1957, for M\$32,776,000 (1956 2,856 and M\$29,459,000 respectively); mortgage advances outstanding at year end are shown below—



(b) rate of interest to borrowers from 1.1.57 7% (increased to 8% from 1.1.58 in Borneo and 1.3.58 in Federation and Singapore);

(c) 49.81% of mortgage asset and 57.18% of advance commitments are in Federation.

(3) Society has strong local board; chairman is Singapore manager of The Hongkong and Shanghai Banking Corporation; Mr J. Burgess, general manager since start, became managing director 1.1.58.

(4) Society provides expanding advisory and management services to public, private and trustee bodies in connection with their housing loan schemes.

(5) Society's accounts show continued growth, conservative distribution and increased reserves:

		Net profit (after tax)	Dividends		Reserves at year end
			Rate (ord)	Amount (less tax)	
		M \$000's	%	M \$000's	M \$000's
1950	...	(loss 17)	—	—	(loss 17)
1951	...	99	—	—	82
1952	...	324	3	163	243
1953	...	456	4	230	470
1954	...	577	5	315	732
1955	...	681	5	418	994
1956	...	991	6	793	1,192
1957	...	1,324	6	958	1,839*

* includes share premium account at 31.12.57 M\$281,198.

- (6) (a) Towards year end Society announced it was temporarily unable to accept new applications for advances, funds being fully committed;
 (b) CDC and Federal Government will provide sufficient additional capital to finance existing commitment; but further local capital must be forthcoming if expansion is to be maintained;
 (c) plans for Borneo territories are under discussion with governments concerned.

FEDERATION OF MALAYA

39 Central Electricity Board

(1) Loans of £7,077,950 fully drawn by 1955; 80,000 kw Connaught Bridge (thermal) power station, opened in 1956, feeds network covering Selangor, Negri Sembilan and Malacca; in 1957 peak loads approached full capacity of station.

(2) (a) Units sold (in million kwh):

				Years ended 31st August			
				1957	1956	1953	1950
Industry and commerce	...			164	139	82	59
Mining	...	...	...	149	121	90	63
Domestic	...	...	...	84	80	36	19
				397	340	208	141

(b) total revenue increased by 12.7% over 1956; cost per unit sold decreased by 3.3%.

(3) CDC's Regional Controller is on board.

(4) (a) Figures indicate board's contribution to industrial and commercial development; many mines are now buying power with resultant cost saving;

(b) table above shows how Malayan demand for power has increased in recent years; new station at Malacca is being built; board is negotiating loan with International Bank for Reconstruction and Development for big Cameron Highlands hydro-electric project.

40 Federal Land Development Authority

- (1) £600,000 Government guaranteed loan, repayable over 33 years, to statutory authority set up in 1956 to promote and carry out agricultural development and land settlement schemes in association with state governments; Federal Government contributes M\$10m (about £1.2m).
- (2) (a) Pilot scheme started in Kelantan with 400 families developing 4,000 acres for rubber, fruit and rice; progress satisfactory; also small pilot scheme started in Kedah;
(b) schemes planned for Pahang, Trengganu and elsewhere will benefit from experience gained in Kelantan.
- (3) At Federal Government request, CDC Regional Controller served as executive chairman for 1957, continues as chairman for 1958.
- (4) [No drawing from] CDC at 31.12.57.

41 Johore Palm Processing Ltd

- (1) Company formed in August to take over new Kulai Oil Palm Estate factory (§ 42) built by CDC; capital at 31.12.57 £265,927.
- (2) Intention is to encourage growing of oil palms in South Johore; estates, medium farms, smallholdings to be offered facilities for processing fruit in factory, with shareholding in proportion to acreage.
- (3) Company will process growers' fruit on agency basis, all proceeds after meeting cost of operating (including service of capital) being paid over to growers; ultimate objective to run factory on co-operative basis.
- (4) Factory operating well but under capacity; more fruit is expected from Kulai Oil Palm Estate next year when more palms mature, but optimum throughput cannot be achieved for some years yet.

42 Kulai Oil Palm Estate

- (1) Capital at 31.12.57 was £907,306, after transferring assets valued at £265,927 to Johore Palm Processing Ltd.
- (2) (a) Planted acreage 1,272 pre-war palms, 3,525 planted since 1950; total 4,797; total planned about 5,000 acres;
(b) production highest so far at 1,111 tons oil (762 tons in 1956), 255 tons kernels (147 tons in 1956); production is increasing from 1952 and 1953 new plantings.
- (3) New factory completed; together with ancillary buildings transferred to new CDC subsidiary company, Johore Palm Processing Ltd (§ 41).
- (4) (a) Average sales price of oil was £82.9 per ton (1956 £80.8);
(b) profit £6,976 (1956 £1,900);
(c) low initial yield in newly maturing areas increases harvesting costs, and has affected 1957 results.
- (5) (a) Terrorists still active; senior assistant shot and injured in accidental meeting in new clearing; CDC's Regional Controller and Project Manager were killed here in 1954;
(b) over 600 workers employed; £103,396 paid in wages; labour relations have improved since 1956 strike.
- (6) Estate is pleased with its two Malayan cadets, one of whom now promoted to assistant.

43 Malayan Cocoa Ltd

- (1) Authorised capital M\$2m (£233,333); issued capital M\$1.2m (M\$1.08m paid at 31.12.57) equally shared by Cadbury Bros Ltd, Harrisons & Crosfield Ltd and CDC.
- (2) (a) Planted area, 501 acres according to recent survey, unchanged from 1956;
(b) 23 acres of experimental area replanted with improved commercial variety in 1957.
- (3) (a) Insects and squirrels troublesome; but growth is good;
(b) small quantities of cocoa pods harvested; used for experimental fermentation and drying, and as seed for planting by United Cocoa Development Co Ltd (§ 45).
- (4) 1958 should yield first small commercial harvest.
- (5) (a) CDC's Regional Controller became chairman of Company board;
(b) Malayan Cocoa Ltd continues to share with United Cocoa Development Co Ltd the service of staff and labour—an arrangement of advantage to both Companies;
(c) Company's first manager, Mr Douglas Telfer, retired to farm in Scotland, taking with him CDC's thanks and good wishes. He is succeeded by Mr C. C. Brooker, previously assistant manager.

44 Malayan Industrial Development Finance (company in formation)

- (1) M\$2½m (£300,000) equity investment in new Company sponsored by Federal Government to finance industrial enterprises in Federation.
- (2) Company will be incorporated with share capital of M\$15m to which Federal Government, Malayan Exchange Banks, insurance companies and others will subscribe.
- (3) CDC will be represented on board.
- (4) Capital sanction received from Secretary of State for Commonwealth Relations.
- (5) No drawing from CDC at 31.12.57.

45 United Cocoa Development Co Ltd

- (1) Principal shareholders are Cadbury Bros Ltd, Harrisons & Crosfield Ltd, CDC and van Houten & Zoon NV; others are chocolate manufacturers in UK and elsewhere.
- (2) Authorised capital £200,000 in £10 shares, 16,000 issued (£7 paid); CDC stake, 2,119 shares £7 paid, £14,833 at 31.12.57.
- (3) Company has about 1,000 acres leasehold at Landas in Trengganu State, four miles from Malayan Cocoa Ltd estate at Jerangau (§ 43).
- (4) 356 acres now planted as planned (1957 233); Company's cocoa consultant Mr O. J. Voelcker reported planting uniformly good.
- (5) Good building site fixed for permanent accommodation of labour, in consultation with local medical and labour authorities; work started.
- (6) Estate continues to be jointly managed with Malayan Cocoa Ltd's estate at Jerangau; Government Agricultural Department has been most helpful to management.



Nursery of young palms on Kulai Oil Palm Estate, Malaya.



Singapore Factory Development; south-west corner of the Alexandra Road site showing some of the new factories.

SINGAPORE

46 Malayan Flour Mills (company in formation)

- (1) £200,000 loan in sterling debentures, repayable from 4th to 15th years, to new Company being established by Mr David Sung of Hong Kong Flour Mills Ltd to manufacture wheat flour for Singapore and Johore; loan guaranteed by Hong Kong Company.
- (2) Mill to be constructed in 1958 on site leased by Singapore Harbour Board; initial capacity 5,300 short tons flour per month.
- (3) CDC will be represented on board.
- (4) No drawing from CDC at 31.12.57.

47 Singapore Factory Development

- (1) Total net assets £189,158, including land £31,203 and mortgages £140,961.
- (2) Industrial development is financed on three sites in Singapore; at Bukit Timah for larger industries; two in Alexandra Road industrial area for light industry.
- (3) Larger scale industrial development in Singapore moves slowly; 7.1 acres of Bukit Timah land sold in 1957 but 20.2 acres still unsold out of original 52 acres.
- (4) (a) CDC and Singapore Improvement Trust continued joint scheme in Alexandra Road in which Trust provides a six-acre developed site and CDC finances standard unit factory construction;
(b) 12 factories completed and five under construction 31.12.57; industries include printing, bookbinding, and manufacture of metal containers, paraffin stoves, cosmetics, plastic goods and clothing.
- (5) (a) On Leng Kee Road site CDC lends on mortgage for factory building by borrowers;
(b) three loans have been made; industries assisted are marine engineering and manufacture of pencils and glass goods.
- (6) (a) Owing to expansion of activity, CDC is transferring this project to a subsidiary company in which local capital can participate;
(b) activity may spread to other sites.
- (7) Net revenue for year £8,795.

NORTH BORNEO

48 Borneo Abaca Ltd

- (1) (a) Issued capital M\$17,142,900 (£2m); M\$16,714,300 (£1,950,000) held by CDC and M\$428,600 (£50,000) by Harrisons & Crosfield Ltd;
(b) CDC loan account reduced from £654,273 at 31.12.56 to £555,497 at 31.12.57;
(c) Company's main crops are abaca (manila hemp) and rubber; cocoa is being planted; oil palms nursery started in 1957 at Mostyn which is now a separate project, Mostyn Estates Ltd (§ 49).

(2) *Abaca*

(a) Acres under cultivation:

				<i>Mature</i>	<i>Immature</i>	<i>Total</i>	<i>Total</i>
						31.12.57	31.12.56
Table	...	...	...	1,092	1,091	2,183	1,784
Balung	...	...	...	695	10	705	755
Mostyn	...	...	...	699	107	806	793
				<u>2,486</u>	<u>1,208</u>	<u>3,694</u>	<u>3,332</u>

(i) at Table new plantings and replantings of 452 acres were completed; a further 110 acres in course of planting at year end; at Balung 50 acres uneconomic abaca replanted with coconuts; at Mostyn 82 acres of new abaca planted;

(ii) no acreage eradicated (1956-270 acres mainly for disease, book value £30,775);

(iii) bunchy top disease reduced by vigorous control measures to 9,855 cases (24,488 in 1956); at Table steady decline has continued—4,638 cases in 1957 (1,350 in second half year) against 9,882 in 1956 and 185,241 in 1955 at height of epidemic;

(b) crops were a record:

					1957	1956
					<i>tons</i>	<i>tons</i>
Table	...	...	...	...	1,902	1,589
Balung	...	...	...	...	461	387
Mostyn	...	...	...	...	431	356
					<u>2,794</u>	<u>2,332</u>

(c) sales £394,987 (1956 £299,968); exceptionally among commodities, hemp prices were high for most of year but dropped towards end;

(d) trading profit was £77,541 after charging export duty £20,474 (reduced from 10% to 5% ad valorem for five years as from 1.1.57) compared with 1956 trading loss of £21,772.

(3) *Rubber*

(a) Record crop of 5,605,734 lb (1956 5,247,781 lb);

(b) acreage:

					31.12.57	31.12.56
(i) mature (prewar)	...	...	...	...	11,284	11,618
immature	...	...	...	...	1,529	976
in preparation	...	...	...	...	251	—
					<u>13,064</u>	<u>12,594</u>

(ii) during year Company completed 334 acres replanting and 219 acres new planting; 251 were in preparation at year end;

(c) sales £546,660 (1956 £552,039); average fob selling price dropped from 25·82d per lb in 1956 to 24·07d per lb in 1957;

(d) trading profit was £155,507 (1956 £187,618) after charging export duty £44,610 (1956 £50,576).

(4) *Cocoa*

- (a) North Borneo's first commercial cocoa plantation went as planned;
- (b) 229 acres of amelonado were planted out together with a two acre Upper Amazon seed garden; in conjunction with Department of Agriculture, nurseries of various high-yielding selections for budwood and vegetative propagation were established; pests under control—no major disease encountered;
- (c) small samples of beans shipped to UK were favourably received and sold well;
- (d) total area under cocoa is 309 acres; pilot estate of 600 acres should be planted by end 1958.

(5) *General*

- (a) Total sales £941,647 (1956 £852,007);
- (b) Company net profit was £158,403 after charging £74,645 administration expenses (1956 profit £83,905);
- (c) abaca profit is crop's first real contribution to Company's trading results;
- (d) project financed from its own resources capital expenditure of £269,889 during year, in addition to reducing CDC loan account by £98,776;
- (e) completion of rubber replanting 9,385 acres, and 2,000 acres new planting, to establish estate of 11,385 acres high-yielding rubber by 1976 has been approved;
- (f) average labour force 3,550; wages paid £397,528; Company provided education, medical and social services at direct cost of £31,118, in addition to capital expenditure on housing and amenities £58,737;
- (g) Governor has remarked "It would seem that Colonial Development Corporation project at Borneo Abaca estates, having travelled a very troublous road, has turned the corner on to what shows every sign of being a broad and cheerful highway."

49 Mostyn Estates Ltd

- (1) Investment sanctioned £1,360,000 including about £180,000 value of assets taken over from Borneo Abaca Ltd; preliminary expenditure at 31.12.57 £6,645.
- (2) Mostyn Estate, 5,500 acres, is on north coast of Semporna Peninsula in North Borneo, about 100 sea miles from Tawau, headquarters of Borneo Abaca Ltd (§ 48); soil is exceptionally rich volcanic; more land is available for expansion.
- (3) Hitherto estate has been run as out-division of Borneo Abaca Ltd, 806 acres abaca planted at 31.12.57; not developed sooner owing to pre-occupations on main group of estates and previous labour shortage.
- (4) New company, Mostyn Estates Ltd (incorporated North Borneo 16.12.57) took over all assets at Mostyn from 1.1.58; Company in first instance subsidiary to Borneo Abaca Ltd, but all new finance required for development will be subscribed direct by CDC pending private enterprise partners.
- (5) Development programme is to:
 - (a) plant about 3,000 acres oil palms, a new crop for Borneo;
 - (b) plant, or secure planting by smallholders, of additional 2,000 oil palms, probably on land outside present estate boundaries;

- (c) provide processing factory and sales organisation for produce of (a) and (b);
- (d) expand abaca to 1,000 acres.
- (6) Other subsidiary crops, eg cocoa, may be grown later on.
- (7) Government has welcomed CDC initiative in introducing this new crop to North Borneo; has promised assistance in smallholder scheme if one is started; and has agreed 15 years' exemption from palm oil export duty.
- (8) Oil palm seeds for first field planting were put in germinating boxes at end 1957.

FIJI

50 Fiji Investigations

- (1) By special invitation of the Governor, Regional Controller (Far East) visited Fiji in July 1957; suggested schemes for consideration by CDC, including sawmilling of hardwoods, softwoods afforestation and cocoa/banana cultivation.
- (2) CDC experts went to Fiji in January 1958 to investigate forestry proposals.
- (3) CDC agricultural expert goes in April.

EAST AFRICA REGION

51 Regional summary

- (1) Capital approved for 16 projects (one new) in Kenya, Tanganyika and Uganda is £15,644,000; spent £13,809,000.
- (2) New project is provision of finance (with Government Industrial Development Corporation and Barclays Overseas Development Corporation) for enlargement of New Stanley Hotel, Nairobi; additional hotel accommodation is urgently needed to meet demands of tourist trade and of a rapidly growing city.
- (3) Development of UK policy as to loans to overseas government corporations resulted in a decision that Uganda Electricity Board could not borrow from CDC to finance expansion of generating capacity at Owen Falls and extension of distribution system; negotiations had to be broken off just as lengthy and intricate investigations had been completed.
- (4) Development of mining projects proceeded with CDC further investment of £1,066,000 in Macalder-Nyanza Mines Ltd, Mbeya Exploration Co Ltd (and Rungwe Coal) and Tangold Mining Co Ltd. Two mines, Kilembe and Macalder-Nyanza, were brought into full production just in time for the drop in copper prices; rigorous economy is being imposed. At Mbeya the pilot mill was opened by Secretary of State for Colonies; at Tangold construction is going ahead.
- (5) CDC is associated with basic food processing industries of Kenya—through its investments in East Africa Industries Ltd (margarine), Unga Ltd (flour) and Kenya Meat Commission (beef); but trading conditions have become more difficult, and business did not expand as expected.

KENYA

52 Block Hotels Ltd

- (1) (a) CDC, jointly with Kenya Industrial Development Cpn, Barclays Overseas Development Cpn, and Mrs M. E. Tate, agreed to finance partial reconstruction of New Stanley Hotel, Nairobi; estimated cost £460,000;

(b) Block Hotels Ltd is an old established company which operates New Stanley and Norfolk hotels in Nairobi and Mawingo Hotel, Nanyuki; its issued share capital to be increased from £300,000 to £360,000 (60,000 £1 ordinary shares to be issued at EA shgs 40 each) and there will be £340,000 debentures redeemable over 20 years; total new finance £460,000.

(2) CDC will take up 20,000 ordinary shares and £120,000 debentures.

(3) (a) Extension will help relieve present serious shortage of hotel accommodation; is designed for 233 more beds, also new and improved public rooms;

(b) CDC Regional Controller has been appointed a director of Block Hotels Ltd to represent debenture holders.

53 Coastal Hotels Ltd

(1) Project is sponsored by Kassim Lakha family, who own and operate Imperial Hotel, Kampala; CDC and sponsors sharing cost equally; CDC by secured loan of £125,000.

(2) (a) This new 62-bedroom hotel—Oceanic Hotel, Mombasa—will help meet existing shortage of accommodation in Mombasa, and encourage tourist trade;

(b) building proceeding satisfactorily; should be ready towards end 1958.

(3) £60,000 of CDC loan drawn at 31.12.57.

54 East Africa Industries Ltd

(1) (a) Ordinary shareholders are Unilever Ltd 50%, CDC $33\frac{1}{3}\%$, Industrial Development Corporation (Kenya Government) $16\frac{2}{3}\%$;

(b) CDC shareholding remains at £255,000 (cost £275,000); loan increased by £76,000 to £176,000.

(2) (a) Business in oil refining and manufacture of margarine and other edible oils is being expanded to include soap manufacture in new factory due to start production in July this year;

(b) this means more use of local raw materials to make things for local consumption.

(3) Despite withdrawal of most of the armed forces, business continued to grow; sales and profits for last four years:

					<i>Sales</i>	<i>Profits</i>
					£	£
1954	...	...	...	...	277,930	33,269
1955	...	...	...	...	316,138	25,187
1956	...	...	...	...	416,525	44,304
1957	...	...	...	...	474,380	44,603

Increased costs and interest on soap factory loans kept 1957 profit at same level as 1956.

(4) Disposal of land, buildings and plant (valued £243,000) not required for Company's business is expected to result in profit of £23,000; a good end to tidying-up.

55 Kenya Housing Authority

(1) £2m loan to Kenya Government (Central Housing Board) for municipal and private housing programmes for Africans; repayment 1960–1984.

(2) During 1957 CHB lent £246,000 to various local authorities (1956 £259,000).

(3) CHB has reserved £1,040,000 for Nairobi City Council for a joint Government/Council African housing project; building has been delayed but contracts for 1,400 houses were placed in June, 1957 for about £600,000.

(4) Drawings at 31.12.57 £1,270,000.

56 Kenya Meat Commission

(1) £250,000 loan (1955) to Kenya Meat Commission to expand undertaking; repayment by 20 annual instalments.

(2) (a) Kenya Meat Commission, a statutory body, owns and operates abattoirs; it buys slaughter stock and markets meat and by-products;

(b) to provide an additional offtake for cattle supplies, a meat canning factory will operate at Athi River, and Liebig's Extract of Meat Co Ltd will manage it.

(3) Sales 1957 £2,170,000 (1956 £2,089,000).

(4) CDC is represented on Commission board by Regional Controller.

(5) Outstanding at 31.12.57 £225,000.

57 Kenya Power Co Ltd

(1) (a) Authorised and issued share capital EA shgs 2,000 (£100) owned equally by Government of Kenya, Power Securities Corporation Ltd, and East African Power and Lighting Co Ltd;

(b) £7.5m 5½% debenture stock 1975/85, of which CDC £3.5m; balance by public.

(2) Company has hydro stations at Tana and Wanji, and bulk supply licence for 50 years from 8.6.55 to supply East African Power and Lighting Co Ltd, distributors for Nairobi and parts of western Kenya.

(3) 250-mile, 132 kv, transmission line brings Owen Falls power to Nairobi, completed and energised throughout before end year; commercial load taken 1.1.58.

(4) An important development job done on time and within estimate.

58 Macalder-Nyanza Mines Ltd

(1) (a) Issued capital 700,000 shares of 20 EA shgs each (£700,000), CDC 65.7% Kilembe Mines Ltd 28.6%, other interests 5.7%;

(b) CDC loan £2,049,119.

(2) Construction work finished during year except for sponge iron section which will be in operation in March 1958; hydro-electric installations were delayed by bad ground below one wing of dam and in power tunnel, but both turbines were generating by December 1957.

(3) Mine staff and labour were diverted to hydro-electric job from April in order to speed completion and save expensive diesel power; normal mining and milling resumed in October; meanwhile roaster worked on stockpiled concentrates.

(4) Operating figures with 1956 comparison:

				1957	1956
Ore mined	...	...	(short tons)	67,409	72,386
Ore milled	...	...	(„)	64,134	63,251
Concentrates roasted	...	...	(„)	29,668	7,193
Copper metal in cement	...		(long tons)	1,723	353
Bullion—gold (oz)	...	...	...	1,004	—
silver (oz)	...	...	...	14,678	

(5) During year efficiency of Dorr roaster was improved; target recovery of 86% was reached in August and has been maintained; throughput now over 100 tons a day compared with 71 tons estimate.

(6) Sales of cement copper and bullion were £352,899; average copper price was £207 per ton; loss was £207,505, including £53,000 realisation loss on process stock brought forward at beginning of year, but before charging CDC loan interest £105,233; stock losses were due to heavy fall in copper prices.

(7) (a) Staffing and operations were reviewed early in year, while copper price was still £240–250 per ton, with a view to maximum economies;

(b) and mine is now about covering operating costs at £165 per ton;

(c) management and staff have done well.

59 Unga Limited

(1) Flour millers; in 1956 CDC agreed to take up £250,000 shares at par (16% of capital) and to make a secured loan of £600,000 to this subsidiary of Kenya Farmers' Association Co-operative Ltd, now all drawn.

(2) Company operates in Kenya and Tanganyika and through a subsidiary company in Uganda.

(3) Two major projects of development programme have still to be done—a new flour mill in Dar-es-Salaam and a wheat silo in Nairobi.

(4) Total estimated cost of development plan now £1,736,000 against estimate of £1,607,000.

(5) After provision for East African income tax, net profit for year to 31.7.57 £178,871 (1956 £141,650); dividend on ordinary shares 5% (as last year).

(6) CDC is represented on board by Regional Controller.

TANGANYIKA

60 Mbeya Exploration Co Ltd

(1) (a) Issued capital 2,000 EA shgs (£100) in shares of 20 EA shgs, N. V. Billiton Maatschappij of The Hague 70% CDC 30%;

(b) balance by loans from N. V. Billiton Maatschappij and CDC in same proportion; at 31.12.57 CDC £287,920.

(2) (a) Company is developing pyrochlore (niobium) deposits at Panda Hill, Mbeya district, south-west Tanganyika;

(b) N. V. Billiton Maatschappij are consulting engineers and managing agents.

(3) (a) Progress satisfactory; pilot mill completed; opened by Secretary of State for Colonies 22.10.57;

(b) 18,370 ft diamond drilling done; underground exploration continued at deeper levels; proved ore reserves (1956 nil) 14m tons carbonatite at 0.34% niobium pentoxide and 3.8m tons fenite at 0.79%; indicated 63m at 0.3% (1956 46m);

(c) staff and labour housing and essential services completed.

(4) Power consultants have continued hydro-electric investigation; detailed report with cost estimates for comparison with steam plant (§ 62) expected by mid-1958.

(5) (a) Niobium is used in high temperature steels; research into extensions of use has been intensified since lifting of US Government's defence restrictions; new uses in super-alloys for jet engines, guided missiles and reactor canning and cladding materials;

(b) metallurgical companies from many countries have shown interest and asked for test samples.

(6) Spent at 31.12.57, £1,004,000; CDC share £301,000.

61 Liganga Iron Ltd

(1) Authorised capital 600,000 EA shgs (£30,000), of which 32½% (£9,750) will be held by CDC, balance by Frobisher Ltd of Canada, Anglo-American Corporation of South Africa Ltd and Tanganyika Government.

(2) No work by Company in 1957; Tanganyika Geological Survey completed additional drilling in February 1958; report awaited.

(3) Spent at 31.12.57 £39,300.

62 Rungwe Coal Co Ltd

(1) (a) Company incorporated 14.5.57 to investigate Kivira-Songwe coalfield in Rungwe district, south-west Tanganyika, for power needs of Mbeya Exploration Co Ltd (§ 60);

(b) authorised capital 10,000 shares of 20 EA shgs (£10,000); CDC and N. V. Billiton Maatschappij 43¾% each, Tanganyika Government 12½%; only subscribers' shares issued at 31.12.57;

(c) additional finance by loan equally by CDC and N. V. Billiton Maatschappij;

(d) management by CDC.

(2) (a) Investigation completed and staff withdrawn June;

(b) over 20m tons good quality coal proved.

(3) (a) Final choice between coal and hydro-electricity as source of power for Mbeya Exploration Co Ltd (§ 60) awaits power consultants' detailed report and cost estimates for hydro-electric generation on Kivira river; expected mid-1958;

(b) meanwhile possibilities of selling coal locally and to Nyasaland being studied.

(4) Spent at 31.12.57 £69,152; CDC share £34,152.

63 Tanganyika Coalfields Ltd

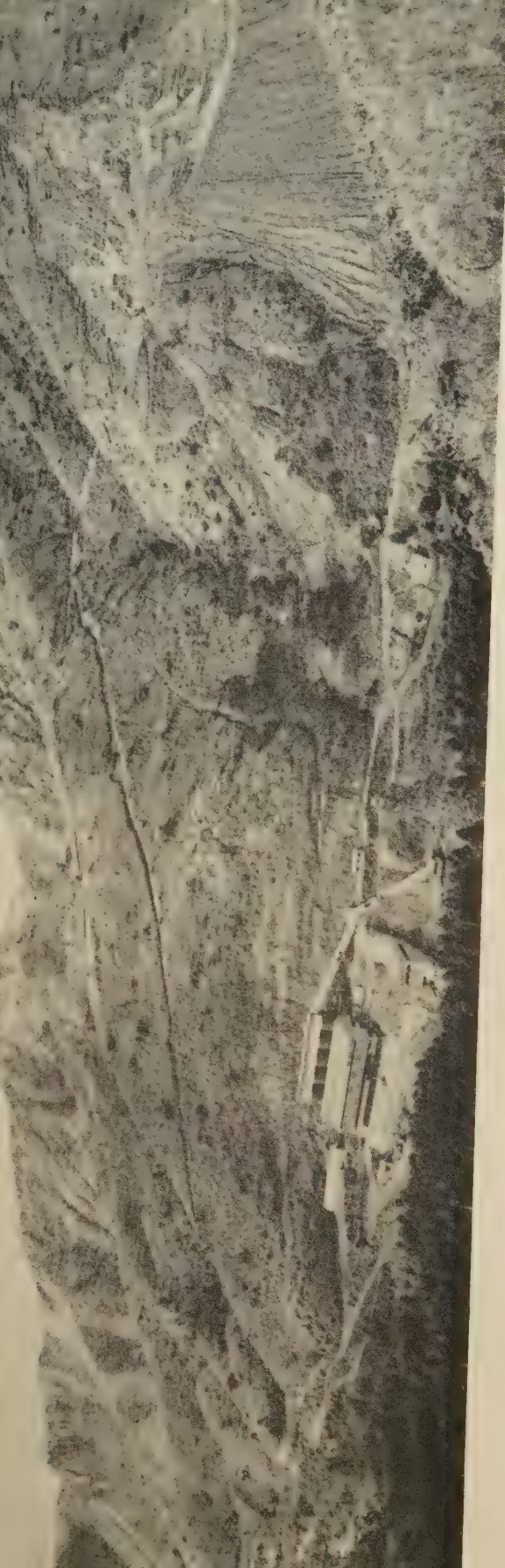
(1) (a) Authorised capital 2,000,000 EA shgs (£100,000); CDC 35½% £35,500; rest by Anglo-American Corporation of South Africa Ltd, Frobisher Ltd of Canada and Tanganyika Government; only subscribers' shares issued at 31.12.57;

(b) balance of consideration for CDC expenditure by issue of unsecured notes.



Photo by Tanganyika Government Public Relations Department.

Secretary of State for the Colonies, Rt Hon A. Lennox-Boyd, MP visited Mbeya Exploration Co Ltd, Tanganyika, 22.10.57 and officially opened the pilot mill; he is here seen at the project.



A general view of Kilembe copper mine in the Ruwenzori mountains, Uganda, showing concentrator and eastern deposit.

(2) German interests have carried out successful tests on the coal; talks continue.

(3) Transportation issue dominates; possible extension of Portuguese railway line from east coast port of Nacala to Lake Nyasa through Nova Fraixo might provide an alternative to construction of line from Mtwara.

(4) No work by Company in 1957; Rungwe Coal Co Ltd separately reported (§ 62).

(5) Spent at 31.12.57, £457,775.

64 Tanganyika Wattle Co Ltd

(1) (a) Company incorporated at end 1957 to take over CDC's Tanganyika Wattle Estates started in 1949;

(b) authorised capital 600,000 EA 20/- ordinary shares; issued 450,000 shares, of which CDC 400,000 and East African Tanning Extract Co Ltd 50,000;

(c) CDC to finance with loan capital rest of approved development programme (£884,617 at 31.12.57);

(d) East African Tanning Extract Co Ltd became managing agents on 1.1.58.

(2) (a) Planting of 33,000 acres wattle completed in 1955; tree growth, following two favourable wet seasons, was good;

(b) factory housing almost finished; building and equipping of factory went satisfactorily; should be ready for testing in mid-1958, commercial operation in 1959.

(3) Bena Wattle Scheme, through which Company helps establishment of African wattle industry, continued well; 4,630 acres planted by March 1957; further 2,352 acres ploughed ready for sowing in 1957/58 rains.

(4) (a) Vegetable tanning extract industry faces increasing substitution of synthetic soling materials for shoe leather;

(b) application by UK tanners for removal of customs duty on foreign tanning extracts, if granted, would profit tanners negligibly but gravely harm Commonwealth producers;

(c) CDC took on this job at Tanganyika Government's request; it now looks to Government for protection of both the Wabenas' enterprise and its own.

65 Tangold Mining Co Ltd

(1) (a) Authorised and issued capital 600,000 shares of 20 EA shgs each (£600,000) held equally by CDC and New Consolidated Gold Fields Ltd;

(b) additional finance up to £700,000 by CDC loan; £450,000 drawn at 31.12.57.

(2) New Consolidated Gold Fields Ltd are technical advisers.

(3) (a) Mine is being equipped for gold production; start expected by end 1958;

(b) technical advisers have raised capital estimates by £280,000 to £1,580,000; excess to be financed by CDC and New Consolidated Gold Fields Ltd equally.

- (4) (a) New mine shaft sunk to 485 ft; underground development 2,102 ft; diamond drilling 1,138 ft;
- (b) 12 mile water supply pipeline from Lake Victoria to mine under construction;
- (c) erection of operational buildings and plant from Taquah & Abosso Mines Ltd in Ghana has started;
- (d) office, staff and labour housing nearly finished.
- (5) Spent by Company at 31.12.57, £940,318.

66 Williamson Diamonds Ltd

- (1) CDC agreed in 1955 to lend £500,000, if called on, to assist extensive mechanisation of mine.
- (2) CDC was very sorry to hear of death of Dr. Williamson, who discovered the Mwadui deposits and himself developed the mine.
- (3) Nothing drawn at 31.12.57 nor to date of signing.

UGANDA

67 Kilembe Mines Ltd

- (1) (a) Issued capital 5,700,000 shares of 20 EA shgs each (£5·7), Kilembe Copper Cobalt Ltd of Toronto 70%, CDC 20%, Uganda Development Corporation 10%;
- (b) balance of finance £2,100,000, of which CDC has lent half, £750,000 against 6% debenture and £300,000 against 6% unsecured notes.
- (2) Frobisher Ltd of Toronto are consulting engineers and general managers.
- (3) (a) Mine and mill worked near full capacity; ore mined 480,136 short tons; milled 479,314 short tons;
- (b) roaster, ancillary equipment and smelter had many troubles; smelter only reached full throughput in August; blister copper produced 7,467 long tons;
- (c) efficiency much improved and large economies achieved by year end; working costs reduced enough to leave some margin at current copper price.
- (4) (a) Mine was planned and assessed as a copper/cobalt producer; cannot be expected to earn satisfactory profits on copper alone at present low prices;
- (b) cobalt plant postponed until copper process operating satisfactorily; cobalt price fall has led to further postponement, and market for cobalt concentrates being sought; concentrates meanwhile being stockpiled.
- (5) (a) Sold 7,479 tons blister copper for £1,544,106;
- (b) net loss, after charging depreciation and amortisation (£383,568) and debenture interest (£126,000), £291,561.

CENTRAL AFRICA REGION

68 Regional summary

- (1) Capital approved for seven projects regrettably almost unchanged at £22,109,000; spent £7,156,000.

(2) While copper boomed, there was money for most forms of development in northern territories (Southern Rhodesia as reported last year is normally out) without recourse to CDC; this is now changed and new projects are in sight.

(3) Kariba construction—with Chilanga cement—proceeded as planned despite unusual floods in the Zambezi, until February/March 1958 when the unusual of 290,000 cusecs of March 1957 became the unprecedented of over 600,000 (three times Niagara) of March 1958 with much damage to temporary works and consequent delay, which however the Board expects to repair and retrieve by the end of the year. CDC loan, which has become relatively dear compared with IBRD and other money available to Federal Power Board owing to sudden steep 1957 rise in UK interest rates, has not been drawn according to schedule.

(4) In Nyasaland, Kasungu Tobacco Estates and Vipya Tung Estates both suffered from unseasonable weather; on 20.2.57 just before harvest time, 22 inches of rain fell in 24 hours near Kasungu.

FEDERATION OF RHODESIA AND NYASALAND

69 Central African Airways Corporation

(1) £1,750,000 loan (1954) for purchase of five Vickers Viscount aircraft and spares, secured on Central African Airways assets and guaranteed by Government of Federation.

(2) Loan drawn in full 1955/56.

(3) (a) During 1957 CAA reorganised itself and its relations with others so as to improve its services and minimise uneconomic working;

(b) inter alia, there was a new agreement with BOAC, who were chartered by CAA to operate tourist class service between Salisbury and London on their behalf;

(c) CDC helped give Corporation a chance to keep on a sound financial basis by a $\frac{1}{4}\%$ reduction in loan interest rate and lengthened repayment period;

(d) better results are now reported.

(4) CAA now flies Viscounts on coach class services between Central Africa and UK, as well as operating internal Federation services.

(5) CDC is represented on board by Regional Controller.

70 Federal Power Board (Kariba)

(1) (a) £15m loan to Federal Power Board guaranteed by Government of Federation of Rhodesia and Nyasaland to help build first stage of Kariba hydro-electric project on Zambezi river; estimated cost £80m;

(b) other finance from International Bank for Reconstruction and Development, Commonwealth Development Finance Co Ltd and Federation Government (mainly from loans by Rhodesian copper mining companies, British South Africa Company, Standard Bank of South Africa Ltd and Barclays Bank DCO).

(2) Original first stage plan of 500,000 kw underground power station and transmission network is being modified by adding sixth turbo-generator to raise power output to 600,000 kw.

- (3) (a) Construction progress at Kariba up to schedule by end year in spite of severe floods in March 1957 which inundated north bank coffer dam and stopped work on dam construction for six weeks; no serious damage done; lost time made up;
- (b) river diversion structures and part of main dam ready 27.6.57; Zambezi diverted 6.7.57; second stage south bank coffer dam completed;
- (c) good progress on foundations and concrete work for main dam on both sides river and on underground power station excavation;
- (d) Kariba township (population 11,000), railway sidings, access roads, site roads and bridges finished;
- (e) unprecedented floods February/March 1958 inundated south bank coffer dam, swept away road and foot bridges; damage cannot be accurately assessed until floods subside and coffer dam can be pumped dry; but Federal Power Board expects to retrieve lost time by end 1958.
- (4) Construction of sub-stations at Norton, Salisbury and Kitwe started; surveying of line south of Kariba, clearing of Kariba/Kitwe and Salisbury/Bulawayo routes continued; erection of towers started.
- (5) Only £2,050,000 drawn 31.12.57 instead of scheduled £4,150,000; because of increases in CDC borrowing rates Federal Power Board preferred to take cheaper money from other sources.

NORTHERN RHODESIA

71 Chilanga Cement Ltd

- (1) This is first CDC project which has evolved from a subsidiary to a commercial company with significant part of share capital held by public.
- (2) (a) At beginning of 1957 ordinary share capital (Rh £1 1,500,000) was held by CDC, Northern Rhodesia Government, The Premier Portland Cement Co (Rhodesia) Ltd (Company's general managers), Rhodesian Anglo-American Ltd, British South Africa Company;
- (b) in November 1957 shares were converted from £1 to 5/- and 1,200,000 shares were offered to public through Rhodesian Stock Exchange at 6/6d;
- (c) by terms of 1955 Agreement shares sold were whole equity holding (£200,000) of Northern Rhodesian Government; balance proportionately from existing shareholders;
- (d) issue was oversubscribed.
- (3) At 31.12.57 CDC held 2,215,384 ordinary (£553,846), 180,000 Rh £1 preference shares, and £86,400 loan capital (since repaid).
- (4) Company has contracted to provide Federal Power Board's (§ 70) bulk cement requirements for Kariba dam.
- (5) Production for first full year of two kiln operation was 34% above 1956 and sales 51% higher; net profit before tax £453,009 (1956 £285,797).

NYASALAND

72 Kasungu Tobacco Estates

- (1) In 1956/57 season 360 acres of flue-cured tobacco were grown (1955/56 380).
- (2) (a) The crop was badly damaged by rain; much of it had to be left where it grew; rain-damaged leaf was almost too brittle to handle after curing; cured leaf suffered badly from shattering;



Photo by Central African Airways Corporation

A Central African Airways Viscount over Salisbury, Southern Rhodesia,



Part of Vipya Tung Estates, near Mzuzu, Nyasaland,

- (b) tobacco sold represents yield of 764 lb per acre (1955/56 845);
 (c) average prices were:

	1956/57	1955/56
CDC	31·04d	30·28d
Nyasaland average	26·80d	23·05d

and realisation per acre was £99 (1955/56 £107);

(d) burley experiment on 20 acres could not be given much attention, but results indicate that burley can be a useful secondary.

- (3) 1957/58 planting is 390 acres for flue-curing, of which 100 acres were planted before rains, and 20 acres of burley.
- (4) Acute labour shortage led to building delays and 1958 curing may be hampered by barn shortage.
- (5) (a) A scheme for association of African smallholders with CDC estate was started with Nyasaland Government encouragement; if all goes well it will be expanded;
 (b) six Africans have each planted four acres tobacco for flue-curing; CDC is erecting barns and is providing supervision and tractor, grading and marketing services;
 (c) labour shortage is holding things up here also; smallholders have had to do most of the land clearing themselves.
- (6) Blackfire disease is reported in 1957/58 crop.
- (7) Loss £10,363 (1956 £1,187 profit); spent at 31.12.57 £224,505.

73 Nyasaland African Housing

- (1) Loan of £1m (1956) to Nyasaland Government for urban housing schemes; houses are sold or rented to individual Africans or to employers for Africans; or used by Government for Africans.
- (2) In Blantyre-Limbe area 806 houses constructed; in Zomba work started on contract for 350 houses; contract let for 186 houses in Lilongwe; contracts so far total £742,000.
- (3) Loan repayable 1967/86.
- (4) Drawn at 31.12.57 £400,000.

74 Vipya Tung Estates

- (1) 4,692 acres under tung at 31.12.57 of which 623 acres of eight and nine year old tung is regarded as mature.
- (2) Tung processing mill was opened by Sir Malcolm Barrow, Federal Minister of Home Affairs and of Power, on 1.10.57; it has operated efficiently on the small throughput.
- (3) 130 acres of coffee established 31.12.57; first crop from earlier plantings expected in 1958.
- (4) Nyasa Tea Estates Ltd are managing agents.
- (5) 244 tons of nuts (mill weight on dry basis) were harvested (1956 168) and yielded 80 tons of oil; crop yield was patchy; reasons apart from unusual drought are being investigated.
- (6) (a) Because of falling tung oil price United States imposed quota restrictions to protect its own producers; tung oil price on other markets consequently fell still further;

(b) during year it dropped from £190 per ton to £115 per ton, and is now £110 per ton;

(c) 1957 crop sales provisionally taken at £120 per ton (1956 £162), final figure depending on accounts of Nyasaland Tung Board, through whom all sales are made.

(7) Net operating loss £10,377.

(8) Spent at 31.12.57 £911,463, including £213,423 previously written off on reorganisation in 1955.

SOUTHERN RHODESIA

75 Southern Rhodesia African Housing

(1) £1m loan to Southern Rhodesia Government for urban African housing; drawing completed 1957; repayable 1966/85.

(2) Programme, costing £1.75m, covers:

(a) new Highfield African Township at Salisbury, extended from 2,413 to 2,700 houses, all completed and sold; cost was £80,000 below estimate; Africans have built 38 business premises for themselves; 69 lots have been set aside for them to build larger houses; finances of township are self supporting;

(b) 1,854 houses built at Bulawayo out of programme of 2,600;

(c) 260 houses at Gwelo and 40 to be built at Que Que;

(d) schools and other amenities provided by Government.

(3) Original scheme budgeted for householders taking in one or two lodgers to enable them to meet purchase instalments; as African wages rise, improvement in standard of living should result in disappearance of lodgers.

HIGH COMMISSION TERRITORIES REGION

76 Regional summary

Bechuanaland Protectorate

(1) The five cattle projects (capital approved £3,007,000, spent £1,853,000) made further progress on an economic basis.

(2) Promising year disrupted by foot and mouth disease in July; despite movement restrictions, ranching activities show satisfactory progress; after record throughput to June, Lobatsi Abattoir operations severely restricted by closing of South Africa market to Bechuanaland meat.

(3) Plans for local association mentioned last year at least moved to extent that a company registered in Lobatsi to take over abattoir business; shares will be offered to representative Bechuanaland Protectorate interests.

Swaziland

(4) Capital approved for five projects £9,190,000, spent £5,731,000.

(5) A year of exciting progress at Swaziland Irrigation Scheme; it was good to see completion of main irrigation canal after earlier irritating delays; Mhlume Sugar Co being formed jointly with Sir J. L. Hulett & Sons Ltd to mill sugar cane grown under irrigation on part of CDC project and neighbouring land; Swaziland 80,000 ton quota in Union market was divided equally between Company and Ubombo Ranches (Pty) Ltd by High Commissioner's award—a surprising and disappointing decision in view of relative amounts of development and differing potentials of the two areas.

(6) At Usutu Forests—as to utilisation plans no progress whatever; as the consultants (The Bowater Paper Corporation) emphasised in their report, transportation is critical issue here. A railway down one of the river valleys through or past the project would solve a lot of CDC difficulties and open up the south as well.

Basutoland

(7) Investigation of potential markets for power and water from Ox Bow Lake Scheme is being carried out concurrently with technical investigation. Regrettably this remains sole CDC interest in Basutoland to date.

77 High Commission Printing & Publishing Co Ltd

(1) £10,000 loan secured on assets of Company and guaranteed by parent company, Bantu Press (Pty) Ltd; repayment over ten years began in 1955.

(2) Company publishes local language newspapers in High Commission Territories; also has printing business.

(3) Outstanding at 31.12.57 £7,000.

BASUTOLAND

78 Ox Bow Lake Power and Water Investigation

(1) Basutoland Government invited CDC to join in investigating Ox Bow Lake scheme reported on by Cape Town consultant.

(2) (a) Scheme envisages diversion of Malibamatso River, an upper tributary of Orange River, and a regulating dam with five-mile tunnel to hydro-electric power station in Hololo Valley;

(b) more power could be developed by another eight-mile tunnel; and water delivered by pipeline to Orange Free State.

(3) Government has set up advisory technical board of which CDC Regional Controller is member; it is collecting rainfall and river flow records in catchment area.

(4) Decision as to scheme will depend on future power and water requirements of Orange Free State consumers; first discussions with potential customers discouraging.

(5) CDC funds not needed for present investigation which should be completed in 1958.

BECHUANALAND

79 Bechuanaland Cattle Ranch

(1) (a) Herd increased from 10,132 to 11,260 in 1957;

(b) breeding section is now largely concentrated at Nata outstation;

(c) herd escaped foot and mouth disease which affected large areas of southern Africa.

(2) (a) Birth rate improved further and in 1956/57 season reached satisfactory level of 60%;

(b) death rate fell further to 4.4%;

(c) losses from straying remained negligible.

- (3) (a) Sales 2,390 head, mainly to Northern Rhodesia, including 1,922 slaughter oxen; of the latter 931 were taken over in 1956 from Bushman Pits Ranch (§ 80) for fattening;
- (b) 2,407 slaughter cattle received from Bushman Pits Ranch;
- (c) 2,492 Ngamiland cattle bought and resold to Northern Rhodesia via Kasungula crossing of Zambezi River.
- (4) Trading loss £2,221 (1956 £5,578).
- (5) Book value is £212,398 apart from losses and amounts previously written off mainly as part of 1953/54 reorganisation (£641,228).

80 Bushman Pits Ranch

(Ngamiland Cattle Exporters' Association)

- (1) (a) Former outlying station of Bechuanaland Cattle Ranch; leased to specially formed co-operative of cattle traders;
- (b) members buy immature cattle from Ngamiland producers and graze them till ready to be fattened by CDC (§ 79 (3) (a)).
- (2) 5,003 head of immature slaughter-type cattle were on ranch at 31.12.57 (31.12.56 4,457).
- (3) Facilities jointly arranged by banks and CDC for financing members' cattle were fully employed during most of 1957.
- (4) 2,407 head of cattle were taken over by CDC for final fattening (1956 1,603).
- (5) (a) Spent to 31.12.57 £16,050;
- (b) cost to CDC £689 (administration costs less rent and interest received).

81 Lobatsi Abattoir

- (1) Capital at 31.12.57 £676,995 including fixed assets £566,661.
- (2) (a) A difficult and distressful year; foot and mouth disease broke out in July in Union of South Africa and southern Bechuanaland; Union markets closed to Protectorate meat for rest of year;
- (b) supplies continued to be sent to Belgian Congo and to Federation of Rhodesia and Nyasaland.
- (3) Despite restrictions, 60,023 head of cattle were slaughtered (1956 68,715); 50,226 of them by 9.7.57 when restrictions imposed.
- (4) (a) Deliveries to Belgian Congo under long term agreement with *Compagnie d'Elevage et d'Alimentation du Katanga* proceeded regularly, as in previous years; an agreeable and satisfactory customer;
- (b) (i) during first six months 30,000 carcasses were sold across Union auction floors; Cape Town, Durban and Port Elizabeth took Bechuanaland Protectorate beef for first time;
- (ii) CDC, with High Commissioner's support, continued to press for controlled resumption of deliveries to Union and had reason to think in September that sales to Mine Buying Pool would be allowed; but despite apparent satisfaction of veterinary requirements Union Government approval was not given;
- (iii) latest estimate of re-opening date is end April;



Photo by R. H. Hammersley

Some cattle at a water point on Molopo Ranch near Lobatsi Abattoir, Bechuanaland.



The main 42 miles irrigation canal—Mhlume Water—Swaziland.

- (c) (i) 15,000 carcasses and 1,900 live cattle were sent to Federation during 1957 under provisional arrangements agreed from time to time; until November deliveries were to Northern Rhodesian butchers but thereafter to Cold Storage Commission as sole importers into Federation;
- (ii) negotiations for more permanent arrangements have gone on all through year with Federation Government, Northern Rhodesian butchers, and latterly Cold Storage Commission; but changing Federation estimates of future requirements (40,000 carcasses per annum to 0) have prevented any conclusion;
- (iii) another temporary arrangement for 1958 is still being discussed;
- (d) overseas possibilities were considered again after foot and mouth restrictions had been imposed; transit difficulties in Union put an end to that idea.
- (5) (a) Producers continued to be paid on basis of Johannesburg average auction prices for beef until December when a special price related to price received by abattoir for deliveries to northern markets was paid;
- (b) in long run prices to producers depend on sales arrangements; if producers are to have an assured outlet for their cattle and a reliable price formula, abattoir must have long term contracts with its principal customers.
- (6) With new boreholes, abattoir now has ample water; solution of troublesome waste disposal problem in sight.
- (7) (a) Bechuanaland Protectorate registered company has been formed to take over abattoir; initially a wholly owned CDC subsidiary with local representation on board;
- (b) Government views have been sought how best to secure participation by Bechuanaland Protectorate cattle trade which could then share responsibility for policy and operation of abattoir.
- (8) Sales £1,726,754 (1956 £1,889,284); loss £187 (net profit 1956 £60,798).

82 Molopo Ranch

- (1) Capital at 31.12.57 £307,464; including £38,832 assets on settlement areas (§ 83).
- (2) Ranching area developed with 60 miles of fencing and with sinking of another borehole; all water points now have reservoirs and troughs.
- (3) (a) Ranch suffered from outbreak of foot and mouth disease (§ 81 (2) (a)); all cattle were virused but recovered condition well;
- (b) disease restrictions stopped sales to Lobatsi Abattoir from early July; so only 789 slaughter oxen sold (1956 2,886); herd increased from 8,669 to 9,920.
- (4) (a) Birth rate remained steady at 50% (1956/57 season);
- (b) death rate 2.6% (1956 3.4%); this is satisfactory.
- (5) Net profit including effect of cattle reclassification £9,823 (1956 £9,008); includes £203 net income from settlement areas.

83 Molopo Settlement Scheme

- (1) Agreement between Protectorate Government and CDC not yet signed; it provides for repayment of development and improvements costs to CDC over 15 years.

- (2) Area surveyed ready for allotment of farms on completion of agreement; CDC cannot do any more.
- (3) Graziers remain in occupation, pending allotment of farms.
- (4) Assets and revenue included in Molopo Ranch accounts.

SWAZILAND

84 Mhlume (Swaziland) Sugar Co

- (1) Company in formation, to be registered in Swaziland with capital £1,250,000 to be held 60% by Sir J. L. Hulett & Sons Ltd and 40% by CDC; CDC has undertaken to lend up to £2,750,000; Mr. G. M. Hulett is chairman.
- (2) Company has been allotted a sugar milling quota of 40,000 tons within 80,000 tons of Swaziland quota negotiated by UK High Commissioner with Union Government.
- (3) CDC had good reason to expect a 50,000 ton quota at least.
- (4) Cane will be grown on part of the land (sold by CDC to Company) to be irrigated by canal completed last year (§ 86 (2)); its suitability for irrigated cane production was proved by CDC by five years field investigations.
- (5) Seed cane is now being propagated on 350 acres; bush being cleared and sub-irrigation channels surveyed on main cane-growing areas; roads, factory and housing sites are being laid out; contracts placed for plant and machinery.
- (6) Establishment of this industry should encourage further development in Mananga area.
- (7) The Paramount Chief chose the name for the canal; "mhlume" means "good growth".

85 Swaziland Cannery (Pty) Ltd

- (1) (a) Issued share capital £24,000 in £1 shares of which 21,000 distributed equally between Malkerns Valley growers, managing agents (Samuel Hanson & Son Ltd) and debenture holders;
(b) loans CDC £83,850, Barclays Overseas Development Corporation (BODC) £45,150, growers £8,399, managing agents £1,500.
- (2) At repeated request of Swaziland Government CDC, with BODC (whose help is gratefully acknowledged) and co-operation of Malkerns Valley pineapple growers, has continued its efforts to salvage this Company formed 1953 by John Heath Cannery Ltd and others in UK to operate a cannery near Usutu Orchards.
- (3) (a) Company re-organised November 1956; factory re-opened January 1957;
(b) first sizeable crop of pineapples provided 2,650 tons for cannery in 1957; growers received £30,124;
(c) pack was of good quality; all sold despite glut of pineapples on UK canned fruit market; repeat orders received and forward contracts made for next season's pack; sales in 1957 were £111,800.

- (4) (a) To enable cannery to continue for another experimental year during which appraisal of long term prospects will be made:
 - (i) CDC, BODC and managing agents have provided funds for capital requirements; CDC has guaranteed £20,000 bank overdraft; managing agents have arranged stock finance with CDC/BODC supporting guarantee;
 - (ii) growers have accepted reduced basic prices for pines with prospect of subsequent additional payments;
 (b) experiments in tomato canning planned for 1958 to take care of pineapple off season.
- (5) (a) Net loss for year to 30.6.57 was £28,864; period included only six months of new management;
 (b) interim accounts show net loss during six months off season to 31.12.57 £14,323.
- (6) Continuation of effort to establish canning industry in Swaziland considered worthwhile.

86 Swaziland Irrigation Scheme

- (1) Scheme to develop 105,000 acres in northern Swaziland for irrigated and dry land farming and ranching.
- (2) Sobhuza II, CBE, Paramount Chief of the Swazi Nation, formally opened Komati irrigation canal on August 14th and named it Mhlume Water (§ 84 (7)); present capacity can irrigate about 20,000 acres of sugar or other crops, but headworks and lined sections of the canal are so constructed that with further excavation of earth sections 30/35,000 acres should be irrigable; length of canal and furrow supplying south eastern neighbours, Swaziland Ranches Ltd, is 42 miles.
- (3) Sugar project described in § 84 will use about 10,000 irrigable acres; and water revenue from Mhlume company will be a basic contribution towards servicing capital spent on canal; CDC will still have about 25,000 irrigable acres and 70,000 acres for dry land farming and ranching.
- (4) (a) While canal was building, CDC grew rice and several experimental crops; there is also a cattle herd of around 8,000 head;
 (b) 1956/57 rice crop (using pumped water) produced 1,375 short tons from 1,472 acres; yields were disappointing but quality good;
 (c) citrus crop and sales were satisfactory though trees are still immature and orchard costs high; other experimental crops in general suffered from pests and diseases accentuated by bad weather; but castor and tomatoes did well enough to merit further trial;
 (d) in 1957 Mr. J. H. N. Hobday, one of CDC's advisers for its Bechuanaland ranching projects, reported on cattle prospects at SIS; following his recommendations, herd (7,813 head at year end) is to be gradually built up to 10,000 head; ranching activities are being transferred from sugar lands and new fencing and waterpoints provided;
 (e) cattle showed substantial profit, despite standstill order imposed for most of year due to east coast fever outbreak in Swaziland; sales 1,176 head for £34,382 (1956 1,317 head for £33,754).

(5) Trading results:

	1957	1956
Gross profit/loss	£	£
Rice	1,336 <i>profit</i>	8,056 <i>profit</i>
Experimental crops	25,024 <i>loss</i>	11,189 <i>loss</i>
Livestock	17,309 <i>profit</i>	2,640 <i>profit</i>
	6,379 <i>loss</i>	493 <i>loss</i>
Administrative charges (after apportionments to construction and general development)	11,987	13,533
Net loss	£18,366	£14,026

(6) Spent at 31.12.57 £2,845,045, including £1,023,650 canal; £879,462 land and development; £433,287 buildings and plant; £150,110 livestock and growing crops.

87 Ubombo Ranches (Pty) Ltd

- (1) £85,000 lent to Company in 1953 to develop irrigable land in Swaziland; repayable by 1973.
- (2) (a) Loan is secured on land;
(b) CDC is represented on board by Regional Controller.
- (3) Company owns cattle, grows rice and sugar cane; gets irrigation water from Big Bend canal to which it contributed 70% of cost, with 4,600 acres irrigable.
- (4) This Company got the other half of the 80,000 (§ 84 (2)); it expects to have a 15,000 tons sugar mill in operation mid-1958.

88 Usutu Forests

- (1) (a) 8,085 acres planted (mainly conifers) bringing total afforested area to 88,946 acres on 119,281 acres freehold;
(b) afforestation programme—about 100,000 acres—should be complete by 1959;
(c) forest which CDC is planting for Swazi Nation increased by 152 to 1,917 acres;
(d) plantations thrive.
- (2) (a) 50,326 sq ft of new buildings put up, mainly permanent housing for Swazi labour;
(b) 86.4 miles of new roads built; 404 miles so far;
(c) small hydro-electric scheme for project township operating.
- (3) Project employs 76 Europeans and about 1,750 Africans.
- (4) The Bowater Paper Corporation reported last June:
(a) pulping tests in USA confirm earlier indications that kraft pulp from young Usutu pines would compare favourably with southern pine pulp in USA;
(b) kraft mill on project would require high capitalisation due to effluent disposal problems; this and heavy transport costs would make exports to UK uncompetitive; thus participation not attractive to Bowaters.

- (5) (a) CDC is now exploring markets for pulp/paper or other wood products in Africa where freight differential should be in project's favour; it is understood a railway may be built which might run through Usutu Forests; a railway—whence and whither—would greatly affect utilisation plans; a quick decision would be most welcome;
 (b) meanwhile thinnings produce pulpwood which is sold to South African Pulp & Paper Industries mill near Springs in Transvaal.
- (6) (a) Usutu Orchards farm gave more beef for African rations; more milk for sale;
 (b) farm sold 79 tons of pineapples to Swaziland Cannery (Pty) Ltd (§ 85).
- (7) Spent at 31.12.57 £2,709,014; fixed assets and development £2,609,925; net current assets £99,089.

TRISTAN DA CUNHA

89 Tristan da Cunha Development Co Ltd

- (1) Public company incorporated in South Africa, and locally managed; authorised and issued capital £250,000; CDC holds £130,000.
- (2) In 1956/57 season (September 1956 to April 1957) catch was 28,258 cases of rock lobster tails—increase of 5,399 cases on 1955/56 and best season yet; seal skins appeared for first time in Company's products.
- (3) 1957/58 season opened well; catch so far reported (24,430 cases by 16.3.58) is about same as last year.
- (4) Accounts for year to 30.6.57 gave net profit £15,394 compared with loss £70,358 for 18 months to 30.6.56; a welcome improvement attributable to larger catch, higher prices and economies.
- (5) Promising French market for tails may suffer setback as result of economic measures taken by French Government in 1957; satisfactory quota given for 1957/58, but none for 1958/59.
- (6) A small freezer has been installed on the island in hope of stimulating islanders' interest in shore based fishing for Company's cannery on Tristan.
- (7) Company is grateful for co-operation by island Administrator.

WEST AFRICA REGION

90 Regional summary

- (1) Capital approved for ten projects (two new) was £3,601,000; spent £2,263,000.
- (2) New activities in Nigeria are a 5,000 acre rubber estate in association with Western Region Production Development Board and West African Joint Agency Ltd, and an investment in a much needed cement factory in Eastern Region. The building society in Lagos, Nigerian Housing Development Society Ltd, approved late 1956, got slowly under way; Northern Housing Estates Ltd, approved at end 1956, built 400 houses at Kaduna.
- (3) Several new proposals are being examined; they include some public utility schemes of Federal Government and suggestions for agricultural and industrial development by regional governments. In agriculture, the tripartite pattern of Ilushin Estates Ltd (association with local government

agency and private enterprise management) may be extended; but industrial development ideas are usually harder to put into shape and effect. Operations in Lagos of Nigerian Housing Development Society Ltd have led to requests from all three regional governments for similar societies and enquiries from Sierra Leone and Gambia. CDC seems to be on the move in Nigeria at last.

(4) Ideas are being followed up in the Cameroons, Sierra Leone and Gambia; it will be disappointing if a lot more is not done in 1958.

(5) The new Act enables CDC to operate again in Ghana—on an agency basis; and CDC hopes something will come of this.

GHANA

91 Coast Construction Co Ltd

(1) (a) Issued capital 100,000 £1 shares held equally 31.12.57 by CDC and Stirling-Astaldi (Africa) Ltd, transferred with management from Keir & Cawder Ltd (associate);

(b) CDC loan £270,000 at 31.12.57; bank overdraft £87,000 guaranteed by Keir & Cawder.

(2) Rationalisation of management of Ghana and Nigeria companies in hands of Stirling-Astaldi (Africa) Ltd from 14.5.57 has led to economies and increased efficiency.

(3) (a) Two road contracts finished and two nearing completion; another starting;

(b) prospects for new work in Ghana seem better than last year.

(4) Profit £24,066 (1956 £1,656).

NIGERIA

92 Amalgamated Engineering Co Ltd

(1) (a) Company is registered in Nigeria with a subsidiary in Ghana; produces steel structures and tanks;

(b) issued capital 104,561 £1 shares mostly held by UK parent company.

(2) CDC debenture loan £50,000; £20,000 carries conversion rights.

(3) Ghana subsidiary has only just started trading.

(4) Regional Controller is on board.

93 Coast Construction (Nigeria) Ltd

(1) (a) Issued capital 60,000 £1 shares; held equally 31.12.57 by CDC and Stirling-Astaldi (Africa) Ltd, transferred with management from Keir & Cawder Ltd (associate);

(b) additional finance by CDC loan £140,000 at 31.12.57.

(2) (a) Five contracts completed in 1957; three in progress at year end; three more started in 1958;

(b) exceptionally long and heavy rains obstructed 1957 work; this offset improved efficiency from mid-year reorganisation (§ 91(2)).

(3) Profit £6,525 (1956 £1,255).



Photo by Federal Information Service, Nigeria

Young rubber trees under overhead irrigation in the nursery at Ilushin Estates,
Western Region, Nigeria.



Some of the 150 low-cost houses being built on land of Lagos Executive Development Board with the help of finance from Nigeria Housing Development Society Ltd.

94 Coast Engineering Ltd

- (1) (a) Wholly owned subsidiary of Coast Construction (Nigeria) Ltd (§ 93); issued capital 10,000 £1 ordinary shares;
(b) additional finance by parent company loan £101,500 at 31.12.57.
- (2) Company owns contracting equipment, workshops and service buildings.
- (3) Profit £21,048 (1956 £6,102).

95 Ilushin Estates Ltd

- (1) (a) CDC, West African Joint Agency Ltd (WAJA—a group of plantation agency houses) and Western Region Production Development Board (WRPDB) are equal shareholders in this new Nigerian company, formed to plant 5,000 acres high yielding rubber at Ilushin in the Ijebu-Ode province of Western Nigeria;
(b) 795,000 shares of £1 each issued, 2/6 per share paid on allotment; CDC's contribution at 31.12.57, £33,125.
- (2) Company has acquired through WRPDB 8,600 acres leasehold land.
- (3) (a) Planting expected to take four to five years to complete; possibility of later expansion;
(b) 215,000 clonal seeds sown in nurseries, 704 acres cleared and being prepared for planting during 1958; later plantings will be mainly from budgrafts.
- (4) Nigerian Joint Agency Ltd, wholly owned subsidiary of WAJA, is responsible for management.
- (5) Development 5,000 acres estimated to cost £795,000.

96 Lagos Executive Development Board

- (1) CDC loan £1.25m helped finance reclamation and development at Apapa, providing plots for commercial or residential lease.
- (2) (a) Board may refund or CDC require repayment at end of ten, twenty or thirty years from 1.9.50; otherwise repayment by thirty instalments 1.9.61–1.9.90;
(b) guaranteed by Federal Government.
- (3) (a) Almost all plots were leased at 31.12.57;
(b) loan has enabled development of a modern factory and warehouse area to great advantage of Lagos.

97 Nigeria Housing Development Society Ltd

- (1) (a) Society incorporated 29.12.56;
(b) issued capital £1,250,000 in £1 ordinary shares; 25,000 fully paid, 1,225,000 3/- paid; CDC holds 60% and Federal Government 40%;
(c) CDC will provide £250,000 loan capital;
(d) three directors appointed by CDC, including Regional Controller as chairman; and two by Federal Government.
- (2) (a) Operations started February 1957; restricted initially to Federal territory;
(b) land title difficulties have so far practically confined operations to houses built on lands owned by Lagos Executive Development Board (§ 96);

(c) Society is so far committed to lend £108,000, including £100,000 to LEDB for building 150 low-cost houses of which 50 on the way at 31.12.57; £1,151 advanced at 31.12.57.

(3) Loss for year £7,578—and losses inevitable till substantial mortgage asset is built up.

(4) There is keen and wide interest in Society, but progress will be slow if safety of investment is ensured; local building standards are nothing like what they will need to be.

98 Nigerian Cement Co Ltd

(1) (a) Company registered Nigeria 13.11.54 to construct and operate cement works near Enugu, Eastern Region;

(b) issued capital 1,575,102 £1 shares; CDC holds 187,500, balance held by Federal Government of Nigeria, Eastern Region Government, Eastern Region Development Corporation, Tunnel Portland Cement Co Ltd and F. L. Smidth & Co Ltd;

(c) loan capital £500,000 debentures held by Federal and Eastern Region Governments and Eastern Region Development Corporation;

(d) other loan finance includes short term advance from Federal Government £174,898 (to be satisfied by issue of ordinary shares to be offered to Nigerian public) and bank overdraft.

(2) F. L. Smidth are consulting engineers; Tunnel Portland Cement Co Ltd, managing agents.

(3) Production started in December; Governor-General performed opening ceremony 20.12.57.

99 Northern Housing Estates Ltd

(Kaduna Housing Company in 1956 report)

(1) Company formed in 1957 under Northern Region Government sponsorship to build 400 houses at Kaduna for lease, mainly to civil servants.

(2) (a) Cost, estimated at £352,000, financed by:

		£	£
Ordinary shares	Northern Region Government ...		10,000
7% Preference shares	Costain (West Africa) Ltd ...	10,000	
	CDC	10,000	
			20,000
Loans	Northern Region Government		
	interest free	100,000	
	interest bearing	75,000	
			175,000
	Company capitalisation		205,000
Grant from Northern Region Government			147,000
Total			352,000

(b) all shares issued and 2/- paid at 31.12.57; since paid in full; £140,000 of loans drawn at 31.12.57.

(3) Estate has been built and will be managed by Costain (West Africa) Ltd; CDC represented on board by Regional Controller.

(4) All 400 houses completed; 87 occupied at year end. Applications for tenancies slow at first, attributed by Northern Region Government to local agitation for lower rents, but now coming in faster.

100 Omo Sawmills of Nigeria Ltd

- (1) (a) Issued capital £250,000 of which CDC holds 126,000 £1 shares and R. T. Briscoe (Nigeria) Ltd 60,997 £1 shares, balance William Mallinson & Sons Ltd, a group of African timber interests headed by Chief T. A. Odutola and by former shareholders of A. Norman Rushforth Ltd;
(b) in 1950 Company obtained 429 square miles concession in Omo and Oshun forest reserves of Western Region; 1% to be cut annually;
(c) R. T. Briscoe (Nigeria) Ltd (subsidiary of East Asiatic Company of Copenhagen) appointed managing agents on 1.3.57 following retirement of Mr. E. P. G. Annesley.
- (2) (a) Sawmill input was 532,087 cu ft; 8% lower than 1956;
(b) conversion factor 58.8% (1956 57.0%).
- (3) (a) Sales fell to £148,198 (1956 £249,641);
(b) exports were £61,613 (1956 £146,853).
- (4) 1957 operations resulted in net loss £39,060 (1956 profit £22,526).
- (5) Take-over by new managing agents was prejudiced by exceptionally severe wet season which restricted operations and interrupted communications.
- (6) Scarcity of mahogany in part of concession now being worked contributed to loss; but large contract for opepe sleepers will help in 1958.

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COLONIAL DEVELOPMENT CORPORATION

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Regional offices

Caribbean	...	...	Strathmore, Culloden Road, St. Michael 16, Barbados. BWI.
Far East	...	...	Kwang Tung Association Building, 44 Pudu Road, Kuala Lumpur, Selangor, Federation of Malaya
East Africa	...	...	Bombay House, Victoria Street, Nairobi, Kenya.
Central Africa	...	...	Harvest House, Baker Avenue, Salisbury, S. Rhodesia.
High Commission Territories			Eagle Star House, 80 Commissioner Street, Johannesburg, S. Africa.
West Africa	...	...	5 Custom Street, Lagos, Nigeria.

